

This document contains a base prospectus (the "**Prospectus**") within the meaning set forth by Article 8(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**").



RAIFFEISENBANK AUSTRIA D.D.

(incorporated as joint stock company in Croatia)

EUR 500,000,000

Euro Medium Term Note Programme

Under the EUR 500,000,000 Euro Medium Term Note Programme described in this Prospectus (the "**Programme**"), Raiffeisenbank Austria d.d. (the "**Issuer**") may from time to time issue notes in bearer form (the "**Notes**"), including: (i) ordinary senior notes (the "**Ordinary Senior Notes**"); (ii) ordinary senior eligible notes (the "**Ordinary Senior Eligible Notes**") and non-preferred senior eligible notes (the "**Non-Preferred Senior Eligible Notes**") (the Ordinary Senior Eligible Notes and the Non-Preferred Senior Eligible Notes together, the "**Eligible Notes**"). The aggregate principal amount of Notes issued under the Programme outstanding will not at any time exceed EUR 500,000,000 (or the equivalent in other currencies).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Prospectus Regulation and the Luxembourg act relating to prospectuses for securities dated 16 July 2019 (*Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières et portant mise en oeuvre du règlement (UE) 2017/1129*, the "**Luxembourg Prospectus Law**"). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Neither does the CSSF give any undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer pursuant to Article 6(4) of the Luxembourg Prospectus Law. Investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus has been prepared to admit Notes issued under the Programme to trading on a regulated market in accordance with Article 3(3) of the Prospectus Regulation and Notes will be placed with investors in reliance on exemptions for public offers provided in Article 1(4) of the Prospectus Regulation. Application has been made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange, to admit Notes to trading on the Regulated Market of the Luxembourg Stock Exchange. The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") (a "**Regulated Market**").

This Prospectus and any supplement hereto will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.rba.hr). For the avoidance of doubt, the content of the aforementioned websites does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Notes are discussed under "Risk Factors" below.

The validity of this Prospectus ends upon expiration of 16 July 2022. There is no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies when this Prospectus is no longer valid.

Arranger

RAIFFEISEN BANK INTERNATIONAL AG

Dealers

Raiffeisen Bank International AG

Raiffeisenbank Austria d.d.

IMPORTANT NOTICES

Responsibility for this Prospectus

The Issuer accepts responsibility for the information contained in this Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Prospectus is, in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Other relevant information

This Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

Obligation of the Issuer with regard to a supplement

The Issuer has undertaken with the Dealers to supplement this Prospectus or publish a new prospectus if and when the information herein should become materially inaccurate or incomplete, and has further agreed with the Dealers to furnish a supplement to this Prospectus in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus, as applicable which is capable of affecting the assessment of an issue of Notes and which arises or is noted between the time when this Prospectus has been approved and the final closing of any tranche of Notes offered to the public or, as the case may be, when trading of any tranche of Notes on a Regulated Market begins, whichever occurs later, in respect of such Notes.

Investors shall be aware that a supplement to this Prospectus may be published. Such a supplement will be published on the Issuer's website (www.rba.hr) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Obligations of the Financial Intermediaries with regard to a supplement

Where the Notes are purchased or subscribed through a financial intermediary, that financial intermediary shall inform holders of the Notes (each a "**Holder**") of the possibility of a supplement being published, where and when it would be published and that the financial intermediary would assist them in exercising their right to withdraw acceptances in such case. The financial intermediary shall contact those Holders of the Notes by the end of the first working day following that on which the supplement is published.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

Restrictions on distribution

The distribution of this Prospectus, any supplement and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*".

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of the relevant underlying, if any; and
- (v) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial Notes. Sophisticated institutional investors generally do not purchase complex financial Notes as standalone investments. They purchase complex financial Notes as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in Notes which are complex financial Notes unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes, the likelihood of cancellation of payment of principal, payment of distributions or a write-down of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances and have

sufficient financial resources and liquidity to bear the risks of an investment in the Notes, including the possibility that the entire principal amount of the Notes could be lost.

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which may outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MiFIR Product Governance Rules

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Benchmark Regulation

Interest payable under the Notes may be calculated by reference to certain reference rates, including the Euro Interbank Offered Rate ("**EURIBOR**"). Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended, the "**EU Benchmark Regulation**"). As at the date of this Prospectus, the European Money Markets Institute ("**EMMI**"), the administrator of EURIBOR, is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") under the Benchmark Regulation and the Secured Overnight Financing Rate ("**SOFR**") does not fall within the scope of the EU Benchmark Regulation. If any other reference rate does constitute such a benchmark, the Final Terms will indicate whether or not such benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmark Regulation. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Notes issued as Environmental, Social and/or Corporate Governance Bonds ("**ESG Bonds**")

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as ESG Bonds and none of the Issuer nor the Dealers makes any representation or warranty or assurance as to whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as ESG Bonds, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Issuer or the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as ESG Bonds, nor is any such opinion or certification a recommendation by the Issuer or any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

Certain definitions

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended and references to HRK are to Croatian kuna.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer expects to operate in the future.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*" and "*Description of the Issuer*". Any forward-looking statements made by or on behalf of the Issuer speak only as at the date they are made. The Issuer does not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

CONTENTS

	Page
IMPORTANT NOTICES	2
FORWARD-LOOKING STATEMENTS	6
GENERAL DESCRIPTION OF THE PROGRAMME	8
RISK FACTORS	10
ISSUE PROCEDURES	36
TERMS AND CONDITIONS OF THE NOTES	38
TERMS AND CONDITIONS FOR ORDINARY SENIOR NOTES	39
TERMS AND CONDITIONS FOR ELIGIBLE NOTES	58
FORM OF FINAL TERMS	87
USE OF PROCEEDS	106
DESCRIPTION OF THE ISSUER.....	107
TAXATION	127
DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS	128
SUBSCRIPTION AND SALE	130
GENERAL INFORMATION	132
INFORMATION INCORPORATED BY REFERENCE	133

GENERAL DESCRIPTION OF THE PROGRAMME

Issue of Notes

Notes will be issued in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and form a single series and are identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series ("**Series**") of Notes. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche will be determined at the time of offering of such Tranche based on then prevailing market conditions and will be set forth in the applicable final terms (the "**Final Terms**") (the form of which is contained herein).

Programme Amount

This Programme is for the issuance of Notes under which the Issuer may, from time to time, issue Notes in accordance with and subject to all applicable laws and regulations and denominated in any currency, subject as set out herein.

The following description is an abstract presentation of the possible structures through which Notes may be issued under the terms of this Prospectus and does not refer to a specific issue of Notes which will be issued under the terms of this Prospectus.

The actual aggregate principal amount of all Notes issued and from time to time outstanding will not exceed EUR 500,000,000 (or the equivalent in other currencies at the date of issue). Notes will be issued in such denominations as may be agreed and specified in the relevant Final Terms, save that the minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000 at the time of the trade date of the Notes. The Notes may be issued, either directly by the Issuer to the investors or to one or more of the Dealers which expression shall, where used in this Prospectus, include any additional Dealer(s) appointed under this Programme from time to time.

Notes will be issued with a minimum maturity of twelve months or more.

The Issuer will have the option at any time to increase the amount of the Programme, subject to the provisions of the Dealer Agreement (as defined under "*Subscription and Sale*") (including the preparation of a supplement to this Prospectus or a new prospectus) as the Dealers, the relevant competent authority or the relevant Stock Exchange may reasonably request.

Distribution of Notes

Notes are freely transferable in accordance with the rules and regulations of the relevant clearing system and may be offered to investors on a non-syndicated or a syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms. With respect to the categories of potential investors the Notes are not subject to any restrictions except for the selling restrictions mentioned in section Subscription and Sale.

Listing and Admission to Trading of Notes

In relation to Notes intended to be listed and issued under this Programme, application has been made to the Luxembourg Stock Exchange to list the Programme and such Notes on the Official List of the Luxembourg Stock Exchange and to admit to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). Application may be made additionally to any other or further stock exchange to admit such Notes to trading on any other or further Regulated Markets or other market segments of such other or further stock exchanges. In this Prospectus, references to "Listed Notes" (and all related references) shall mean, in relation to Notes issued under the Programme, that such Notes are listed on the Official List of the Luxembourg Stock Exchange and/or any other or further stock exchange, as the case may be.

The Programme allows for Notes to be listed on such other or further stock exchange(s) or traded on other market segments (e.g. unregulated market (*Freiverkehr*)) as may be agreed between the Issuer and the relevant Dealer(s) or as determined by the Issuer. Notes not listed on any stock exchange may also be issued.

The issue specific details applicable to the respective Notes are determined in the relevant Final Terms.

Clearing Systems

The Notes have been accepted for clearance through Euroclear Bank SA/NV (1 Boulevard du Roi Albert II, 1210 Brussels, Belgium) ("**Euroclear**") and/or Clearstream Banking S.A., Luxembourg (42, Avenue J. F. Kennedy, L-1855 Luxembourg) ("**CBL**") (or its legal successors as the case may be).

Security Code

The International Securities Identification Number ("**ISIN**"), Common Code (if any), and the German Security Code Number (if any) for each Series of Notes or any other security code will be set out in the relevant Final Terms.

RISK FACTORS

1. RISKS RELATING TO THE ISSUER

This section describes specific risks regarding the Issuer which are regarded by the Issuer to be material in respect of the Issuer's ability to meet its obligations under Notes issued by the Issuer and of which the Issuer is currently aware.

The Issuer has assessed the materiality of risks based on the probability of their occurrence and the expected magnitude of the negative impact such occurrence may cause to the Issuer and the effect on the Issuer's ability to meet its obligations under securities issued by the Issuer. The Issuer has also taken into account in respect of such assessment the principles and outcomes of its internal capital adequacy assessment process. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the securities to be issued or the rights of investors under the securities to be issued and, as a result, investors could lose some or all of their investment.

Investors should consider the following specific and material risk factors and in addition all other information contained in this Prospectus and consult their own professional advisers prior to any decision to purchase debt securities issued by the Issuer.

Investors shall also be aware that there may be additional risks regarding the Issuer which are not regarded to be material or of which the Issuer is currently not aware but which may nevertheless affect the Issuer's ability to meet its obligations under securities issued by the Issuer. It is also possible that risks described herein may combine and intensify one another.

The risk factors are divided into the following categories depending on their nature:

- 1 RISKS RELATING TO THE ISSUER
 - 1.1 Risks relating to the business of the Issuer
 - 1.2 Economic and political risks
 - 1.3 Risks relating to legal and regulatory matters and litigation
 - 1.4 Other material risks relating to the Issuer
- 2 RISKS RELATING TO THE NOTES
 - 2.1 Risks relating to all Notes
 - 2.2 Risks specifically relating to Eligible Notes
 - 2.3 Risks relating to the nature of the Notes
 - 2.4 Risks relating to the specific Terms and Conditions of the Notes
 - 2.5 Other material risks relating to the Notes

1.1 Risks relating to the business of the Issuer

Outbreaks of disease can have a severe and lingering impact on banking operations, the social and economic environment, and financial market developments.

Pandemics, epidemics and outbreaks of infectious diseases, such as the recent outbreak of the novel coronavirus (SARS-CoV-2) and the disease it causes ("**COVID-19**") can have an unforeseen impact on banking operations, the social and economic environment, and financial market developments.

A protracted uncertainty may include several negative consequences for the Issuer, including but not limited to:

- Temporary moratoria in particular for private individuals and small companies on their credit obligations towards the Issuer. The following relevant *lex specialis* were enacted in connection with COVID-19 moratorium measures in Croatia:
 - Amendments to the Execution of Enforcement on Cash Act (OG 47/20),
 - The Intervention Measures in Enforcement and Bankruptcy Proceedings for the Duration of Special Circumstances Act (OG 53/20, 83/20), and
 - The CNB Circular letter regarding COVID 19, Urbr. 180/020/19-03-20/BV, Urbr. 348/020/20-7/BV.
- Economic downturn, shifts in consumer behaviour, diminished business and consumer confidence, inflation and market volatility, currency exchange rate fluctuations;
- Increasing levels of temporary unemployment among the Issuer's customers, which may lead to their inability to service their debt obligations towards the Issuer;
- Although the risks decreased in recent periods in the context of the newly developed vaccines, the possibility remains for workforce disruptions due to illness or employee refusal to work on-site due to perceived risk of contagion;
- Any deterioration of the financial market conditions as a result of such an outbreak might negatively impact the Issuer's liquidity position.

Despite the significant actions undertaken by international and local authorities during 2020 and 2021 combatting the short-term negative effects of the COVID-19 pandemic, the pace of the economic recovery remains uncertain. Also due to the novelty of many such measures, long term impact and effects cannot be fully assessed, and uncertainty will linger for a significant period, triggering potential negative consequences for the business prospects of the Issuer. There can be no assurance that governmental or other actions would result in prompt and adequate improvement of such market conditions in the future, should the situation deteriorate further or further restrictions are imposed, or current or new restrictions persist for a prolonged period of time.

As at the date of this Prospectus, the COVID-19 pandemic is ongoing and the scale and economic impact of the outbreak remains unknown. The COVID-19 pandemic and resulting disruption of market conditions globally, the potentially severe impact on many, if not most, business segments, the Issuer's operational capabilities, as well as the valuation of market assets and market access to manage liquidity could materially adversely affect the Issuer's business, prospects, results of operations or financial condition, as well as its ability to meet its obligations under the Notes.

The Issuer may experience deterioration in credit quality of its loan portfolio and is exposed to the risk of defaults by its counterparties, particularly as a result of financial crises or economic downturns.

The Issuer is, and may in the future continue to be, exposed to the risk that a counterparty (e.g. borrower or a market participant contracting with the Issuer) may not repay its loans or perform its obligations according to their contractual terms, that the collateral or income stream securing the payment of these loans may be insufficient, or that legislation is imposed setting fixed exchange rates for loans in foreign currencies.

The Issuer is exposed to credit risk in particular with respect to its lending activities with retail and corporate customers, financial institutions, local and central governments, as well as other activities such as its trading and settlement activities. Historically, credit risk has been higher during periods of economic downturn, such as the aftermath of the 2008 global financial crisis or more recently as a result of the outbreak of the current COVID-19 pandemic. Volatile economic conditions may substantially aggravate credit risk resulting in an increase of non-performing loans ("NPL"). Such developments could be amplified by money market interest rates which would negatively affect the ability of customers to repay their loans and thus contribute to increased credit risk. In particular if the low level of market interest rates comes to an end and interest rates increase, the rate of non-performing loans may increase, the provisioning of which would

diminish the Issuer's profits and could negatively affect the equity and the goodwill of the Issuer. Furthermore, the Issuer's loan portfolio and other financial assets might be impaired which might result in a withdrawal of deposits and decreased demand for the Issuer's products.

The real estate market prices have generally shown an upward trend in the last years. Collateral values are strongly correlated to the real estate market price development and if the market conditions take a turn for the worse, collateral values may be negatively influenced. Market price reductions would lead to a decline of the collateralisation ratio of the existing loan portfolios of the Issuer as well as to potential reduced collateral recoveries in case of default of its borrowers.

Deterioration in the quality of the Issuer's credit portfolio and increases in NPL levels result in increased credit risk costs for the Issuer. The Issuer's risk costs are based on, among other things, its analysis of probabilities of default and loan management methods and the valuation of underlying assets and expected available income of clients, as well as other assumptions of the Issuer, made in order to determine the credit risk cost as well as the capital requirements for addressing such risk. The Issuer's analyses and assumptions may prove to be inadequate and might result in inaccurate predictions of ongoing or future credit performance.

There can be no assurances that the current provisioning ratio will not increase in the future, or that the coverage ratio for the associated risks (including the NPL coverage ratio) will prove to be sufficient.

Should actual credit risk exceed current estimates on which net allocations to provisioning have been made, the Issuer's loan loss provisions could be insufficient to cover losses. This would have a material adverse impact on the Issuer's financial position and results of operations and could affect the Issuer's ability to meet its obligations under the Notes.

The Issuer is subject to operational risks.

The Issuer's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with the applicable regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of external systems, for example, those of the Issuer's suppliers or counterparties. There is a risk that the Issuer's risk control and loss mitigation actions are not effective in preventing and controlling each of the operational risks. The Issuer may also suffer service interruptions from time to time due to failures by third-party service providers and natural disasters, which are beyond its control. Such interruptions may affect the services provided to clients. The main components of operational risk in the Issuer are:

- Execution risk - such risk arises from losses from failed transaction processing or process management, from relations with trade counterparties and vendors. It can materialise in deficiencies and/or errors in the origination of products and transactions, or failed execution or omission of contractual obligations and constitutes a major risk driver for the Issuer. The increasing number of outsourcings and the complexity of services can significantly alter its risk profile.
- Conduct risk - the current or prospective risk of losses to the Issuer arises from inappropriate supply of financial services including cases of wilful or negligent misconduct or not acting in the best interest of its clients.
- Fraud risk - such risk arises from losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy, excluding diversity/discrimination events, involving an internal or external party.
- ICT risk - the risk of loss arises due to breach of confidentiality, failure of integrity of systems and data, inappropriateness or unavailability of systems and data, or inability to change the IT within a reasonable time and costs when the environment or business requirements change (i.e. agility). The ICT systems, the increasing usage of cloud services, project management and aging architecture have a potential impact from their failures on the Issuer and on the financial sector as a whole due to interlinkages between the Issuer and third party institutions, also in the cross-border context.
- Legal risk (impact) - such risk arises due to the possibility that failure to meet contractual obligations, initiated court proceedings against credit institutions and business decisions taken

which are found to be unenforceable, might have a negative impact on the Issuer's business operation or financial position. Furthermore, it means the risk from a claim or proceeding due to non-compliance with legal and legislative provisions of national or international origin or from contractual arrangements or internal rules and/or ethical conduct deriving from national or international norms and practices or statutory responsibilities. It also includes the exposure to newly enacted laws as well as to changes in interpretations of existing laws.

- Compliance risk - there is the possibility to incur legal or regulatory sanctions, including restrictions on business activities, fines or enhanced reporting requirements, in case of failure to comply with applicable laws, rules, regulations, related self-regulatory organisation standards and codes of conduct applicable to the Issuer's banking activities. Compliance risk materialises itself in fines imposed by the financial market authorities competent for the Issuer (i.e. the Croatian National Bank ("CNB") and the Croatian Financial Services Supervisory Agency).

If the Issuer would have such difficulties in its operational activity, this could have a material adverse effect on its business, financial condition and results of operations.

The Issuer may be adversely affected by changes in interest rates.

As the Issuer derives the majority (i.e. around 63% as at 31 December 2020) of its operating income from net interest income, the risk of adverse interest rate changes is a significant risk to which the Issuer's non-traded portfolios are exposed. Interest rates are sensitive to many factors beyond the Issuer's control, such as inflation, monetary and fiscal policies set by the CNB and by the Government of the Republic of Croatia, monetary policy decisions of the European Central Bank ("ECB") in connection with the EUR, the liberalisation of financial services, increased competition, as well as domestic and international economic and political conditions. Changes in the absolute level of interest rates can affect the spread between the rate of interest that a financial institution pays to borrow funds from its depositors and other lenders and the rate of interest that it charges on loans it extends to its customers. To the extent the interest margin decreases, net interest income will also decrease, unless the Issuer is able to compensate such decrease by increasing the total amount of funds it lends to its customers. Low interest rate monetary policy of central banks, which is accompanied by quantitative easing brings additional challenges to interest margin stability as the potential to re-price customers' deposits is limited. Additionally, in a very low or negative interest rate environment, the Issuer will have increased costs of maintaining the regulatory and prudential liquidity buffers held in low yield highly liquid assets. An increase in rates charged to customers can also negatively impact interest income if it reduces the amount of customer borrowings. For competitive reasons, the Issuer may choose to raise rates of interest it pays on deposits without being able to make a corresponding increase in the interest rates it charges to its customers. Finally, a mismatch in the structure of interest-bearing assets and interest-bearing liabilities in any given period could, in the event of changes in interest rates, reduce the Issuer's net interest margin.

As a result of the above, interest rate fluctuations and, in particular, decreasing interest rate margins could negatively affect the Issuer's net interest income and have a material adverse effect on the Issuer's ability to fulfil its obligations under the Notes.

Fluctuations in exchange rates could adversely affect the Issuer's results of operations.

A significant portion of the Issuer's assets and liabilities is denominated in foreign currencies, particularly in EUR. The Issuer translates such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains/losses realised upon the sale of such assets, to HRK in preparing its financial statements. Fluctuations in the rate of exchange of such currencies into HRK may have a negative impact on the Issuer's reported consolidated results of operations, financial position and yearly cash flows. However, the Republic of Croatia entered into the European exchange rate mechanism II ("ERM II") procedure in course of the EUR introduction which is expected in the next period (i.e. a period of at least two years). Thus, the potential negative impact of EUR/HRK movements on the Issuer's business is lower.

The Issuer is subject to the risk that liquidity may not be readily available.

The Issuer relies on customer deposits to meet a substantial portion of its funding requirements. Customer deposits are subject to fluctuation due to factors outside the Issuer's control, and the Issuer can provide no assurance that it will not experience a significant outflow of deposits within a short period of time. A

significant portion of the Issuer's funding comes from its deposit base, therefore any material decrease in deposits could have a negative impact on the Issuer's liquidity.

As a credit provider, the Issuer is exposed to market liquidity risk, which arises from an inability to easily sell an asset because there is inadequate market liquidity or market disruption. The Issuer is also exposed to funding liquidity risk, which is an exposure to additional expenditure arising out of a change in the cost of refinancing, or from a spread over a certain horizon and confidence level, or from insolvency of counterparties, which may result in difficulties in meeting future payment obligations, either in full, on time or on economically beneficial terms.

If the Issuer has difficulty in securing adequate sources of short- and long-term liquidity or if it were subject to material deposit outflows, this could negatively affect the Issuer's ability to comply with the applicable regulatory and commercial liquidity requirements, and have a material adverse effect on the Issuer's ability to fulfil its obligations under the Notes.

Global conditions may in different ways have a material adverse effect on the Issuer.

The Issuer is directly and through its clients connected to the global financial system and dependent on exchange rates, financial asset prices and liquidity flows. Geopolitical uncertainties may impact financial markets, trade and so the Issuer's clients. The current ultra-low interest environment creates further pressure on the financial sectors globally. Monetary policy in the future will depend on inflation and due to these unprecedented policies could vary from the foreseen path in either direction at a fast pace and without prior notice. Variance in monetary policy may result also in increased volatility in debt and foreign exchange markets. The Issuer might continue to face unpredictable monetary moves. Global monetary policy might have helped to build significant exaggeration in various asset classes such as equity, housing and bonds and these asset prices could also correct swiftly and markedly which would also affect the Issuer due to doing business in such asset classes.

Any suspension, downgrade or withdrawal of the Issuer's credit ratings by an international rating agency could have a negative impact on its business.

Any adverse revisions to the Issuer's credit ratings for domestic or international debt by international rating agencies may adversely impact the credit rating of its indebtedness (including the Notes), the Issuer's ability to raise additional financing via debt issuances and the interest rates and other commercial terms under which such additional financing is available. Any suspension, downgrade or withdrawal of the Issuer's credit ratings by an international rating agency could have a material adverse effect on the Issuer's business, liquidity position, competitive position, prospects, results of operations and financial condition.

The Issuer's operational systems and networks may become vulnerable to an increasing risk of continually evolving cyber security or other technological risks.

A significant portion of the Issuer's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a constant basis. The Issuer stores an extensive amount of information (including personal data) specific to its clients (natural or legal persons) for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. The proper functioning of the Issuer's payment systems, financial and sanctions controls, risk management, credit analysis and reporting, accounting, customer service and other IT systems, as well as the communication networks existent between the branches and working points of the Issuer and its main data processing centres, is critical to the Issuer's operations. If the respective services cannot be supplied uninterruptedly, particularly in the case where updates may be necessary for a proper delivery of new or extended products and services, then these systems might not entirely support the Issuer's activity, as this activity is conditional upon the continuous and uninterrupted performance of these systems.

These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving. The financial sector remains an interesting target for cyber criminals, there being an increasing level of sophistication in both, criminal and nation state hacking for the purpose of stealing money, stealing, destroying or manipulating data and/or disrupting operations. The Issuer's computer systems, software and networks may become vulnerable to unauthorised access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other events. These threats may derive from

human error, fraud or malice on the part of employees or third parties or may result from accidental technological failure. Third parties with which the Issuer does business under stringent contractual agreements may also be sources of cyber security or other technological risks. Unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Issuer as those discussed above. The risks associated with cyber security and other technological risks might generate disruptions that, if persistent, might significantly affect the Issuer's business, prospects, results of operations and financial condition.

The Issuer faces intense competition and changes in the market landscape for banking services, which could impede the growth of the Issuer's business and may negatively impact the Issuer's revenue and profitability.

The Issuer is in competition with a number of financial institutions, both internationally and locally, competition which is expected to intensify further, especially among top tier banks, on the background of an ongoing consolidation process in the market. Increased competition may determine a higher attrition of the Issuer's current clients and may also limit the Issuer's potential to attract new customers, with a potentially adverse impact on the Issuer's revenues and profitability.

Existing competitors, as well as others that may enter the market in the future, may enjoy certain competitive advantages that the Issuer does not, such as having greater economies of scale, larger financial and non-financial resources and portfolios, access to more advanced technological and operational resources, more comprehensive product offerings in certain business lines, greater personnel resources, better brand name recognition and more experience or longer-established relationships with regulatory authorities and clients. The majority of the Issuer's main competitors in the Croatian banking sector are part of large international financial groups, such as the local subsidiaries of Erste Group (ERSTE&STEIERMÄRKISCHE BANK d.d.), UniCredit (Zagrebačka banka d.d.), Intesa Group (Privredna banka Zagreb d.d.), OTP Group (OTP banka d.d.) etc. Competitors with wider presence might seem more attractive for some institutional clients which have an established relationship with the respective international financial groups in other jurisdictions.

The Issuer's market landscape is also evolving, with fintech companies entering the competition by offering current accounts, free-of-charge currency exchange, and instant peer-to-peer payments. These entities bring to market a completely digital, non-traditional-bank experience, characterised by offering low margins and high flexibility in adapting the transactional platform with new benefits. The Issuer's market may thus be affected by price competition for existing services and rapid development of new products, services and distribution channels.

The Issuer's market position will also depend on effective marketing initiatives and its ability to anticipate and respond to various competitive factors affecting the financial services industry, including new services, pricing strategies by competitors, changes in consumer preferences and economic, political and social conditions in the market in which it operates.

Strong competition may lead to increased pressure on the Issuer in connection with prices for products and services offered to clients, which may have an impact on the Issuer's capacity to maintain or increase its profitability. The competitiveness of the Issuer in the current environment will depend largely on its capacity to adapt quickly to the market's new developments and tendencies. To the extent the Issuer will not be able to effectively cope with pressure exerted by competitors, or to the extent the Issuer fails to respond to, or effectively anticipate consumer sentiment, this may have an adverse effect on the Issuer's market share, earnings and cost structure and thus, its business, financial condition, results of operations and prospects.

If the Issuer and the RBI Group do not maintain their reputation for the quality of their service, the Issuer's ability to attract new customers and retain existing customers may be harmed.

Reputational risk is inherent to the Issuer's business activity. The ability to retain customers and to attract new customers depends in part on the brand recognition and reputation for the quality of service of both the Issuer and the RBI Group (Raiffeisen Bank International AG and its fully consolidated subsidiaries, the "RBI Group"). The Issuer's reputation is strongly linked to the reputation of the RBI Group, meaning that any objective or perceived negative aspects of RBI Group's business, financial condition, results of operations and prospects could in its turn have an adverse effect on the Issuer's reputation. Negative publicity and negative public opinion could adversely affect the Issuer's ability to maintain and attract

customers, which could have a material adverse effect on the Issuer's business, financial condition and prospects.

The Issuer may be subject to tax liabilities.

In its business activities, the Issuer is required to pay various taxes and contributions, such as profit tax, value added tax, various social contributions and others. While the Issuer believes it has paid its taxes when due, interpretation of applicable rules by tax authorities may differ. In practice, tax inspections typically result in tax authorities requiring payment of additional amounts as well as interest and/or penalties. Generally, the results of tax inspections may be the imposition of material additional amounts on the Issuer and this may have a material and adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Eurozone membership may negatively impact the Issuer's profitability due to loss of EUR/HRK conversion related business and one-off cost related to such conversion.

The Republic of Croatia is seeking to join the Eurozone and adopt the Euro as a currency. On that note, the Republic of Croatia joined the ERM II in July 2020, making the euro adoption possible as early as from 2023. In that sense, the Issuer is facing a risk that the Republic of Croatia may eventually join the Eurozone, which in turn leads to a negative impact on the Issuer's profitability amid the loss of business revenues linked to its foreign exchange operations involving EUR/HRK, a potential negative impact on its net interest income and its one-off costs related to the euro adoption.

Hedging measures might prove to be ineffective. When entering into unhedged positions, the Issuer is directly exposed to the risk of changes in interest rates, foreign exchange rates or prices of financial instruments.

The Issuer may utilise a range of instruments and strategies to hedge risks. Unforeseen market developments may have a significant impact on the effectiveness of hedging measures. If hedging measures prove to be not effective, the Issuer may incur losses. In a worst-case scenario, an originally hedged position may become an unhedged position due to counterparty's default. In addition, the Issuer assumes open, i.e. unhedged, positions with respect to interest rates, foreign exchange and financial instruments either in the expectation that favourable market movements may result in profits or it considers certain positions cannot be hedged effectively or at all. These open positions are subject to the risk that changes in interest rates, foreign exchange rates or the prices of financial instruments may result in significant losses.

The Issuer may lose key employees and/or fail to attract new talent.

Business continuity largely depends on overall capability of the Issuer to attract and retain key talent. This capability is specifically critical during the COVID-19 pandemic. Additional risk is associated with the high demand on financial institutions to change and adopt to digital business models while in parallel maintaining full functionality and high operational stability with a robust operating model. In such circumstances, the banking industry may prove comparatively unattractive and may not be able to attract and retain talent with critical skills. If the Issuer for any of these reasons would be unable to ensure a stable workforce with the requisite skills and talents, it would expose the Issuer to risk and would have an adverse effect on its business and operations.

Derivative transactions may expose the Issuer to unexpected risk and unforeseen losses.

The Issuer may be party to certain derivative transactions, such as interest rate swap contracts, with financial institutions to hedge against certain financial risks. Changes in the fair value of these derivative financial instruments that are not cash flow hedges, are reported in profit and loss, and accordingly could materially affect reported results in any period. Moreover, the Issuer may be exposed to the risk that a counterparty of the Issuer in a derivative transaction may be unable to perform its obligations as a result of being placed in receivership or otherwise. If a counterparty to a material derivative transaction is unable to perform its obligations thereunder, the Issuer may experience losses that could have a material adverse effect on its financial condition, financial returns and results of operations.

1.2 Economic and political risks

There is high uncertainty related to the development of the COVID-19 pandemic in the next period. Also, there is high uncertainty related to the short-term and long-term consequences of the COVID-19 pandemic on the economy and on society. Therefore, the activities of the Issuer and its customers are subject to material uncertainty in the following years.

Lockdowns have been enacted worldwide following the COVID-19 outbreak in 2019 in order to mitigate the pandemics proliferation and to relieve pressure on healthcare systems. In order to compensate for losses in revenue triggered by lockdowns, the Croatian Government provided transfers and grants to individuals and to companies, guaranties for loans, tax payment deferrals, and moratoria on loan payments. Jobs and companies benefiting from these measures might not continue to be a going concern once the governmental support ceases. As the existing governmental measures disguise the actual impact of the COVID-19 pandemic on the economy, the Issuer cannot reliably estimate the prospective losses from its exposures to debtors.

The further development of the COVID-19 pandemic and the acceptance and effect of vaccination programmes is uncertain. Uncertainty related to the development of COVID-19 pandemics results in uncertainty of economic recovery (timing, amplitude) and the business environment of the Issuer.

The COVID-19 pandemic is likely to result in structural changes with regard to both the economy and society more broadly such as increased digitalisation and remote working and changes in the structure of global value added chains, including an accelerated transition to the green economy. Uncertainties related to such structural changes as to the timing and amplitude exacerbate the determination of suitable business strategies for both for the Issuer and its customers. Also, the COVID-19 pandemic could have a long-lasting negative impact on some economic activities, resulting in increased losses on exposures to the relevant sectors.

Interest rates are currently at historical low levels worldwide as a result of current monetary policy. If the rebound of the economy and of inflation does not materialise as expected, then the low interest rate environment could persist for a longer period, having a negative impact on the profitability of the Issuer. Also, a large increase in inflation triggering an increase in interest rates could have a negative impact on the economy and the financial position of debtors, and also on the profitability of the Issuer.

Concerns related to the sustainability of the public finances could increase if large public budget deficits persist, keeping the public debt on an upward trajectory. Increase in borrowing costs of the Government of the Republic of Croatia could have a negative impact on the Issuer's profitability.

After three years of surplus, in 2020 the general government budget reported a huge deficit while the public debt to GDP ratio increased significantly as a consequence of the COVID-19 pandemic. Although fiscal metrics are expected to improve in the upcoming years such developments widely depend on successful pandemic containment and economic growth, especially in the event of further delay of some structural reforms. A failure of the Government of the Republic of Croatia to put in place a credible and sustainable fiscal consolidation plan could trigger an increase in risk aversion of investors for Croatia. In this case, covering the public funding needs could become more difficult to achieve, while borrowing cost of the Government of the Republic of Croatia could increase. A sharp increase in yields of Croatian government bonds would result in losses for the Issuer given its holdings of such financial instruments. Borrowing costs in the economy would also increase in that event, limiting economic growth and making it difficult for individuals and companies to take new loans or to service their debt, which would have a negative impact on the profitability of the Issuer.

Indirect taxes (such as VAT and excises) and direct taxes could be increased or other taxes such as banking taxes or financial transaction taxes introduced if the fiscal consolidation process fails and the Government of the Republic of Croatia faces difficulty to cover public funding needs. This would have a negative impact on the disposable income and financial position of the individuals and companies, lowering their capacity to borrow new money or to repay existing debt. Therefore, revenues of the Issuer could be negatively impacted by an increase in taxation aiming to reduce the public deficit.

Any downgrade of Croatia's credit ratings by an international rating agency could have a negative impact on the Issuer.

Any adverse revisions to Croatia's credit ratings for domestic or international debt by these or similar international rating agencies may materially adversely impact the Issuer's credit rating, its ability to raise additional financing and the interest rates and other commercial terms under which such additional financing is available. This could hamper the Issuer's ability to obtain financing, which could have an adverse effect on the Issuer's business, liquidity position, competitive position, prospects, results of operations and financial condition. The failure of the fiscal consolidation process could trigger a downgrade of the Croatia's sovereign rating to non-investment category, making external funding of the country more difficult and more expensive. This would have a negative impact on the economic growth, lowering demand for loans and capacity of debtors to repay their debt. Revenues of the Issuer would be negatively impacted by a downgrade of sovereign rating to non-investment category.

The economy of Croatia is more vulnerable to fluctuations in the global economy than developed markets. The Issuer may thus be adversely affected by unfavourable conditions in the global economy or volatile equity and credit markets, in particular due to the uncertainty caused by the COVID-19 pandemic.

The Croatian economy is fully integrated in the global trade and financial flows, with EU member countries accounting for the bulk of these flows. As a result, the performance of the Croatian economy depends to a large extent on the developments in the global economy and the global financial markets. Increased global political instability and trade controversies, the COVID-19 pandemic and its permanent consequences on the global economy, slowdown of economic growth at the level of global economy, the availability and cost of credit and episodes of market turbulences could have an adverse impact on both developed and emerging countries, such as Croatia.

The impact of global economic developments historically is often felt more strongly in emerging markets, such as Croatia, than it is in more mature markets. Many emerging economies are less economically developed and rely to a large extent on external demand and on foreign borrowing. As happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could lead the Croatian economy to face severe liquidity constraints, causing it, among other things, to raise tax rates or impose new taxes. Negative developments in, or the general weakness of, the Croatian economy, in particular increasing levels of unemployment, may have a direct negative impact on the debt servicing capabilities of the Issuer's customers. The Issuer can provide no assurances that a deterioration of the Croatian economy will not lead to a higher number of defaulting customers. Therefore, a weak economy and negative economic development may jeopardise the Issuer's growth targets and may have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition.

As is typical of emerging markets, Croatia does not possess the full business, legal and regulatory infrastructure that would generally exist in more mature free market economies. Political stability over the years in the Republic of Croatia has been preserved, although a narrow majority in the parliament certainly limits the readiness and capacity to implement reforms. In addition, the state has a strong influence on the economy, the electorate is reluctant to structural reforms and election cycles shorten the political horizon. The only real impetus for reforms comes from outside - through recommendations from the European Semester.

The performance of the Croatian economy remains largely dependent upon the developments in the global economy, equity and credit markets, as well as effectiveness of economic, financial and monetary measures undertaken by its government, together with tax, legal, regulatory, and political developments. Any potential Issuer's failure to manage the risks associated with its business in emerging markets could have a material adverse effect on its business, reputation, operational results and financial position.

1.3 Risks relating to legal and regulatory matters and litigation

The Issuer is subject to substantial regulation and supervision. Any new governmental or regulatory requirement and/ or any change in perceived levels of adequate capitalisation and leverage could subject the Issuer to increased capital requirements and require the Issuer to obtain additional capital or liquidity in the future.

The Issuer has to comply with complex regulatory requirements at all times. Such requirements tend to evolve and become more extensive and stricter. Compliance with such requirements, including the ongoing

monitoring and implementation of new or amended rules and regulations, causes significant costs and effort for the Issuer. Any (factual or even only alleged) breach of such requirements may result in major regulatory measures and may trigger considerable legal and reputational risks. Any legislative or regulatory actions and any required changes to the business operations of the Issuer resulting from changes to applicable regulation, as well as any deficiencies in the Issuer's compliance with applicable regulation, could result in significant loss of revenue, limit the Issuer's ability to pursue business opportunities in which it might otherwise consider engaging, affect the value of assets that it holds, require the Issuer to increase the prices for its services (and thereby adversely impact on the demand for its products and services), impose additional compliance and other costs on the Issuer or otherwise adversely affect its business. The Issuer may be requested to comply with higher capital and liquidity requirements and may incur substantial costs related to the monitoring and meeting these requirements, as detailed below.

- SREP requirements – the Issuer is subject to SREP requirements stipulated in the following regulations applicable in Croatia, the Croatian Credit Institutions Act (Official Gazette ("OG") 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020) (the "**Credit Institutions Act**") implementing Articles 97, 98, 104 (1) and 113 of the Directive 2013/36/EU, as amended ("**CRD IV**"), the CNB's Decision on the Method of Exercising Supervision of Credit Institutions and Imposing Supervisory Measures (OG 23/2014 and 55/2014), the CNB's Decision on the process of assessment of the internal capital of a credit institution (OG 20/2014 and 126/2017) and Article 16 of the Council Regulation (EU) No 1024/2013 as amended (Single Supervisory Mechanism Regulation) determined by the annual Supervisory Review and Evaluation Process ("**SREP**") based on the competent authorities' (i.e. the CNB and the ECB) joint decision. According to the business model, governance and risk management, capital adequacy and the liquidity situation of the Issuer, each year the competent authority sets an additional own funds requirement (Pillar II requirement). This requirement needs to be met by the sort of capital (Common Equity Tier 1 ("**CET 1**") capital, Additional Tier 1 ("**AT 1**") capital or Tier 2 capital) set by the competent authorities. Depending on the assessment, SREP requirements may vary annually. Together with the conclusions of the SREP, the competent authorities provide the Issuer with the conclusions related to the risks, deficiencies and concerns relating to the internal assessment of its capital needs, respectively, whether the methodologies used by the Issuer are appropriate to the nature, extent and complexity of its activities and if the results obtained in the Internal Capital Adequacy Assessment Process (ICAAP) reflect the unexpected losses associated with the significant risks to which the Issuer is exposed. An increasing Pillar 2 requirement could trigger additional pressure on the capitalisation of the Issuer.
- Capital buffers - in line with CRD IV and as per the Credit Institutions Act, the CNB requires institutions to maintain specific capital buffers in addition to own funds requirements (Pillar I requirements) imposed by the Regulation (EU) No 575/2013, as amended (Capital Requirements Regulation – "**CRR**") and potentially any Pillar II additional own funds requirements. The following requirements on capital buffers are applied as of the date of this Prospectus:
 - Capital conservation buffer: the capital conservation buffer of CET 1 capital amounts to 2.5% of the total risk exposure amount in accordance with Article 117 (1) of the Credit Institutions Act;
 - Countercyclical capital buffer: until further notice from the CNB, the countercyclical buffer rate for exposures situated in the Republic of Croatia is 0.0%. The countercyclical buffer at the prudential group (as defined in section 2.7 Capital Requirements, the "**Prudential Group**") level will vary from period to period depending on the composition of underlying risk relevant exposures;
 - Global systemically important institutions (G-SII)/Other systemically important institutions ("**O-SII**") buffer: the Prudential Group is classified as an O-SII in the Republic of Croatia and the buffer for the Prudential Group currently amounts to 2.0%. The O-SII buffer is revised annually and may also be affected by the buffer set for the RBI Group in line with Article 137 (6) of the Credit Institutions Act.
 - Systemic risk buffer: the Prudential Group is currently obligated to maintain a structural systemic risk buffer of 1.5%.

- In total, the combined capital buffer currently amounts to 6.0% of the total risk exposure and shall be covered by CET 1 capital (since December 2020 O-SIIs and Systemic risk buffer are cumulatively included in the combined buffer requirement).

Revised rules on capital and liquidity, *i.e.*, Regulation (EU) No. 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012 ("**CRR2**") and Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**") were published in the Official Journal on 7 June 2019 following a legislative process which began at the end of 2016.

The requirements stipulated by CRD V are implemented into Croatian law. CRR2 shall as a general rule apply from 28 June 2021, however a number of provisions of CRR2 are already in force since 27 June 2019, including certain provisions related to own funds and the provisions on the introduction of the new requirements for own funds and eligible liabilities. The impact of the new provisions on the Issuer cannot be assessed conclusively at the date of this Prospectus.

The new rules impose, *inter alia*:

- A binding leverage ratio requiring institutions to maintain Tier 1 capital of at least 3% of their non-risk-weighted assets. An additional leverage ratio buffer will apply to global systemically important institutions ("**G-SIIs**"). Unlike the Basel III standard, CRR2 allows initial margin to reduce the exposure measure when applying the leverage ratio to derivatives.
- A net stable funding requirement ("**NSFR**"). Unlike the liquidity coverage ratio (which focuses on the quality and liquidity of institutions' assets), the NSFR focuses on the liabilities side of the balance sheet and is designed to ensure that exposures are broadly matched with stable funding sources. The NSFR has been calibrated with a view to avoiding disruption to EU covered bond, derivatives and repo markets with discrete divergences from the international standard.
- A new approach to market risk, which reflects the Basel Committee's Fundamental Review of the Trading Book ("**FRTB**"). Initially the new framework will only apply as a reporting requirement. Since work on FRTB is continuing at the level of the Basel Committee, the new framework will only be implemented as a binding capital requirement in the EU at a later date, subsequent to a separate legislative proposal from the Commission.
- A new approach to counterparty credit risk ("**SA-CCR**"), CRR2 constituting the EU's implementation of the new Basel standardised approach to SA-CCR. The new approach is more risk sensitive, providing better recognition of hedging, netting, diversification and collateral.

On 7 December 2017, the Basel Committee on Banking Supervision (BCBS) published, under the header "*Finalising Basel III post-crisis reforms*" the revised capital requirements frameworks for credit risk and operational risks. The revisions seek to restore credibility in the calculation of risk-weighted assets and improve the comparability of banks' capital ratios by: (i) enhancing the robustness and risk sensitivity of the standardised approaches for credit risk, credit valuation adjustment risk and operational risk; (ii) constraining the use of the internal model approaches, by placing limits on certain inputs used to calculate capital requirements under the internal ratings-based approach for credit risk and by removing the use of the internal model approaches for credit valuation adjustment risk and for operational risk; (iii) introducing a leverage ratio buffer to further limit the leverage of global systemically important banks; and (iv) replacing the existing Basel II output floor with a more robust risk-sensitive floor based on the BCBS revised Basel III standardised approach. There is a high degree of uncertainty with regards to the proposed new frameworks, and subsequently how and when this will be implemented in the EU. It is thus too early to draw firm conclusions regarding the impact of the potential future capital requirements, and consequently how this will affect the capital requirements.

More generally, the risk of non-compliance with different legal and regulatory requirements and any adverse changes thereto, may potentially negatively affect the Issuer's current business model, internal policies and results, this risk being particularly relevant for the Issuer.

Any non-compliance or failure to address these issues properly, could lead to additional legal risk and financial losses, as a result of regulatory fines or reprimands, litigations, or reputational damage, and in extreme scenarios, to the suspension of operations or even withdrawal of authorisation to pursue business. Additional regulations or changes in the applicable laws, could add significant costs or operational constraints that may have a negative impact on the Issuer's business, financial condition and prospects.

The Issuer may be subject to fines, awards of damages or other penalties arising from legal proceedings, contractual claims and disputes, as well as negative publicity arising therefrom.

In the context of its day-to-day operations the Issuer is exposed to litigation risk, among others, as a result of changing and developing consumer protection legislation and legislation on the provision of banking and investment services.

In addition, the Issuer may be adversely affected by other claims (contractual or otherwise), complaints and litigation, including from counterparties with whom it has contractual relationships, customers, competitors or regulatory authorities, as well as any adverse publicity that it may attract. Any such litigation, complaints, contractual claims, or adverse publicity could have a material adverse effect on the Issuer's business, reputation, results of operations and financial condition.

Handling customer personal data represents a significant part of the Issuer's daily activity, and a leakage of such data might violate the applicable laws and regulations.

The Issuer accumulates, stores and uses in its operations data which are protected by data protection laws. Although the Issuer takes precautions to protect customer data in accordance with the applicable privacy requirements, it is possible that there may be data leakages in the future. In addition, the Issuer works with service providers or third-parties' commercial partners, which may not fully comply with the relevant contractual terms and all data protection obligations imposed on them.

Therefore, should any violations of data protection laws be identified to have been committed by the Issuer, they may result in fines, claims for damages, prosecution of relevant employees and managers, reputational damage and loss of customers and may have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition.

Applicable Croatian insolvency and bankruptcy laws, as well as other laws and regulations governing creditors' rights may limit the Issuer's ability to obtain payments on defaulted loans and advances.

Croatian bankruptcy and enforcement laws may not offer in all respect the same level of rights, remedies and protections that creditors enjoy under the legal regimes in other EU jurisdictions. In particular, Croatian bankruptcy and enforcement laws and practice may make it comparatively more difficult and time-consuming for the Issuer to recover amounts in respect of its secured and unsecured claims before the Croatian courts. Inability to obtain effective legal remedies in a reasonably timely manner may adversely affect the Issuer's business, financial condition, results of operations, liquidity or prospects.

As at the date of this Prospectus, Croatian insolvency and bankruptcy laws, as well as other laws and regulations governing creditors' rights, inter alia, includes:

- The Compulsory Liquidation of Credit Institutions Act (OG 146/2020) ("**Compulsory Liquidation of Credit Institutions Act**"),
- The Act on the Resolution of Credit Institutions and Investment Firms,
- The Enforcement Act (OG 112/2012, 25/2013, 93/2014, 55/2016, 73/2017, 131/2020),
- The Bankruptcy Act (OG 71/2015, 104/2017),
- The Execution of Enforcement on Cash Act (OG 68/18, 02/20, 46/20, 47/20, 83/20, 133/20),
- The Bills of Exchange Act (OG 74/1994, 92/2010),

- The Civil Obligations Act (OG 35/2005, 41/2008, 125/2011, 78/2015, 29/2018),
- The Financial Operations and Pre-bankruptcy Settlement Act (OG 108/12, 144/12, 81/13, 112/13, 71/15, 78/15),
- The Consumer Bankruptcy Act (OG 100/15, 67/18), and
- The Assurance of Employees' claims Act (OG 70/17).

The Issuer is obliged to contribute to the Single Resolution Fund and to the deposit guarantee fund.

The bank resolution fund pools together regular (annual) contributions from credit institutions (including the Issuer), whose level is currently set by the Croatian State Agency for Deposit Insurance ("**DAB**") in accordance with the provisions of the Act on the Resolution of Credit Institutions and Investment Firms so that the target level of 1.0% of the amount of covered deposits of all credit institutions authorised in the Republic of Croatia (including the Issuer) might be reached by 31 December 2024.

With the establishment of close cooperation with the ECB and by joining the Single Supervisory Mechanism ("**SRM**") on 10 July 2020, the Republic of Croatia became a full member of the SRM in accordance with the SRMR, whose implementation has been further regulated by the Credit Institutions Act and the Act on the Resolution of Credit Institutions and Investment Firms. Due to that fact it is expected that in the upcoming period credit institutions in the Republic of Croatia (including the Issuer) are going to make contributions to the Single Resolution Fund ("**SRF**").

The provisions of Directive 2014/49/EU, as amended (Directive on Deposit Guarantee Schemes – "**DGSD**") have been transposed into Croatian legislation pursuant to the Croatian Deposit Insurance Regime Act (OG 146/20) and forms part of the measures adopted in the aftermath of the financial crisis in an effort to establish the Banking Union and aims to further strengthen the protection of depositors. In principle, the target level of the deposit insurance fund is set to 2.5% of the total amount of insured deposits and is to be collected from credit institutions in the Republic of Croatia (including the Issuer) until 3 July 2024. In addition to ex-ante contributions, if necessary, credit institutions (including the Issuer) will have to pay extraordinary (ex post) contributions to a certain extent, set by the DAB.

The Issuer's obligation to make such contributions may result in additional financial burden for the Issuer and may have negative impact on its financial position and results of operation.

Compliance with anti-money laundering, anti-terrorism financing and anti-corruption rules involve significant costs and efforts and non-compliance may have severe legal and reputational consequences for the Issuer.

The Issuer is subject to rules and regulations regarding anti-money laundering, anti-terrorism financing and anti-corruption. These rules and regulations have been tightened in recent years and may be further tightened and more strictly enforced in particular following the implementation of the fourth anti-money laundering directive (Directive (EU) 2015/849 of the European Parliament and of the Council) and the fifth anti-money laundering directive (Directive (EU) 2018/843), as enacted in Croatia by the Prevention and Combating of Money Laundering and Terrorist Financing Act (OG 108/2017, 39/2019). Monitoring compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules can result in a significant financial burden on banks and other financial institutions and can pose significant technical problems. The Issuer cannot guarantee that it is in compliance with all applicable anti-money laundering, anti-corruption and anti-terrorism financing rules at all times or that its Group-wide anti-money laundering, anti-corruption and anti-terrorism financing standards are being consistently applied by its employees in all circumstances. Any violation of anti-money laundering, anti-corruption or anti-terrorism financing rules, or even alleged violations, may have severe legal, monetary and reputational consequences and could have a material adverse effect on the Issuer's business, financial condition, results of operations, liquidity or prospects.

The legal and judicial system in Croatia is less familiar with investments in securities, such as the Notes, than other European countries, which makes an investment in the Notes riskier than investments in securities of an issuer that operates in a more developed legal and judicial system.

The legal and judicial system in Croatia is less familiar with investments in securities such as the Notes than those of other European countries. Commercial law, competition law, securities law, company law,

bankruptcy law and other areas of law are relatively new as such to local judges. At the same time, such legal provisions have been and continue to be subject to constant changes as new laws are being adopted as to the transition to a market economy and EU legislation. Existing laws and regulations may be applied inconsistently in Croatia or may be interpreted in an unexpected manner. Further, a degree of uncertainty exists that legal remedies can be obtained in a timely manner in Croatia. The relatively limited experience of a significant number of the competent governmental authorities, specifically with regard to capital markets issues and the existence of a number of issues relating to the independence of the judiciary system may lead to ungrounded decisions or to decisions based on considerations that are not grounded in the law. In addition, the processing of legal remedies may at times involve extensive delays. The court system in Croatia is insufficiently funded relative to other European countries. The enforcement of judgments may also prove difficult and be subject to delays, especially where such judgments may lead to closure of businesses or job losses. This lack of legal certainty and the inability to obtain effective legal remedies in a timely manner may adversely affect the Issuer's business and may also make it difficult for investors in the Notes to enforce their claims against the Issuer.

The Bank Recovery and Resolution Directive provisions may have a material adverse effect on the investment in the Notes, there being a risk for Holders of losing their investment, as well as on the Issuer's business, financial condition, results of operations and prospects.

The provisions of the Directive 2014/59/EU, as amended (Bank Recovery and Resolution Directive - "**BRRD**") have been transposed into Croatian legislation via the Croatian Act on the Resolution of Credit Institutions and Investment Firms (OG 146/2020) (the "**Act on the Resolution of Credit Institutions and Investment Firms**") and the Credit Institutions Act. The new legislation may have a negative impact on debt instruments by allowing the resolution authorities to order write-down of such instruments or convert them into instruments of ownership under resolution circumstances. The Issuer may be subject to resolution tools and other powers as set out under the above-mentioned laws.

The BRRD has been modified by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD2**"). The changes made by BRRD2 are implemented into Croatian law. Amendments made relate in particular to minimum requirements of own funds and of eligible liabilities ("**MREL**") requirements and confer on the resolution authorities additional powers.

The BRRD and Regulation (EU) No 806/2014, as amended ("**SRMR**") recognise as resolution strategies both, a single or multiple point-of-entry ("**SPE**" and "**MPE**") approach. In an SPE approach a failing bank subsidiary is recapitalised by using instruments issued by the group parent, the proceeds being down-streamed to the failing subsidiary, while in an MPE approach a failing bank subsidiary is recapitalised by using instruments issued by the failing subsidiary itself. By applying the SPE approach, the shareholder structure of the parent entity may undergo change as a result of the resolution, whereas by applying the MPE approach, the shareholder structure of the failing subsidiary is the one that may be subject to change, with the shareholding structure of the parent entity remaining the same.

The Issuer has received approval from Single Resolution Board ("**SRB**") and CNB to adopt a MPE resolution strategy, meaning that in case of resolution the Issuer will be recapitalised by instruments issued by the Issuer and not by instruments issued by the RBI Group parent entity (as would happen in a single point of entry resolution), and the bail-in takes place at the Issuer level. In this case the Issuer can issue external MREL eligible liabilities. The resolution plans (including resolution strategy and MREL decisions) are drawn up, assessed and approved in the resolution college on a regular basis and pose a potential regulatory risk to the Prudential Group.

The determination of MREL is determined yearly by the resolution college as a joint decision of the SRB and the CNB, in line with the applicable banking laws. As of the date of this Prospectus, a binding MREL target has been set for the Issuer. If the competent resolution authority requests an increase of the Issuer's MREL, this could require the Issuer to issue additional eligible liabilities at substantial costs. This could have a material adverse impact on the Issuer's profitability and financial situation. If the Issuer is unable to increase its MREL ratio sufficiently, its credit ratings may drop and its cost of funding may increase, and/or the competent authorities may impose fines, penalties or other regulatory measures.

Moreover, there is a risk that the Issuer may not be able to meet these minimum requirements for own funds and eligible liabilities, which could materially adversely affect the Issuer's ability to make payments on the

Notes. In particular, under the bail-in tool, the resolution authorities may order a write-down of the Notes or convert them into CET 1 instruments. Apart from potentially being subject to resolution tools and exercise of other powers as set out under the Croatian Act on the Resolution of Credit Institutions and Investment Firms, the Issuer may also be subject to the regime instituted by the general national bankruptcy proceedings for credit institutions.

1.4 Other material risks relating to the Issuer

Failure to properly handle potential conflicts of interest of members of the Issuer's executive bodies could have negative effects on the Issuer.

Members of the Issuer's management board and supervisory board may serve on management or supervisory boards of other companies (other than a member of RBI Group), including other banks, customers of and investors in the Issuer which may also compete directly or indirectly with the Issuer. Holding directorships of that kind may expose such persons to potential conflicts of interest if the Issuer maintains active business relations with the said companies. Failure to properly manage potential conflicts of interest of such persons could have a material adverse effect on the Issuer's business, financial position and results of operations.

2. Risks relating to the Notes

2.1 Risks relating to all Notes

Holders of the Notes are exposed to the risk of statutory loss absorption.

The relevant resolution authorities are provided with uniform and effective resolution tools and resolution powers in order to achieve the resolution objectives.

The main resolution tool is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence (also called "loss absorbing cascade"): (i) CET 1 items; (ii) AT 1 instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital; and (v) the rest of bail-in able liabilities (including the Notes) in accordance with the order of the payment of claims in bankruptcy proceedings to the extent required.

If the bail-in tool is applied to the Issuer, the principal amount of the Notes may be fully or partially written down or converted into instruments of ownership, although claims of other creditors of the Issuer might not be affected.

In case of an insolvency of the Issuer, certain deposits and other claims (including in respect of the Notes other senior claims) have a higher ranking than claims resulting from the Notes.

If the Issuer is declared insolvent and normal insolvency proceedings (*prisilna likvidacija*) is initiated, the Issuer will be required to meet its obligations to all its senior-ranking creditors in full before it can make any payments on any Notes pursuant to the ranking of claims described below.

According to the Compulsory Liquidation of Credit Institutions Act, in normal insolvency proceedings (*prisilna likvidacija*) of the Issuer in Croatia, the following order of priority of claims would apply:

- 1) claims of employees' and former employees' of the Issuer, claims of the state budget, institutes or funds in relation to employees' salaries and severances and mandatory employees' compensations,
- 2) claims of the CNB and public benefits claims according to tax regulations,
- 3) claims of covered deposits, i.e. claims of DAB in the amount of the total liability on the basis of compensation for covered deposits in accordance with Deposit Insurance Regime Act,
- 4) claims of (i) eligible deposits from natural persons and micro, small and medium-sized enterprises which exceed the coverage level provided for in the Deposit Insurance Regime Act, and (ii) deposits from natural persons and micro, small and medium-sized enterprises that would have been eligible deposits had they are not been made through branches located outside the EU,

- 5) claims of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceed the coverage level provided for in the Deposit Insurance Regime Act that would have been eligible deposits had they not been made through branches located outside the EU, which are not covered by point 4) above,
- 6) all other claims towards the Issuer (such as Ordinary Senior Notes and Ordinary Senior Eligible Notes) except the ones classified in lower payment ranks,
- 7) lower payment ranks claims, which shall be settled in the following order:
 - a. interest on creditors' claims;
 - b. liquidation procedure costs incurred to individual creditors;
 - c. criminal offense or misdemeanour fines and proceedings costs;
 - d. claims for free performances of the debtor; and
 - e. equity replacing loans or equivalent claims,
- 8) claims for which it has been agreed between the Issuer and the creditor that in case of a liquidation such claims shall be settled after all other creditors of higher and lower payment ranks, and which shall be settled in the following order:
 - a. claims not covered by the points below;
 - b. claims of the holders of the subordinated debt which is not included in the items of AT 1 or Tier 2 capital;
 - c. claims of the owners of instruments which, in accordance with the Act on Resolution of Credit Institutions and Investment Firms meet the MREL requirements, and for which it has been agreed that when applying the bail in tools over the Issuer the value of these instruments is reduced to the required amount or the instruments are converted into shares or other equity instruments;
 - d. claims of parent companies as owners of instruments by which the subsidiary meets the MREL requirements on an individual basis;
 - e. the principal of the subordinated debt which represents items of Tier 2 capital; and
 - f. the principal of the subordinated debt which represents the items of AT 1 capital.

Ordinary Senior Notes and Senior Eligible Notes shall in normal insolvency proceedings (*prisilna likvidacija*) of the Issuer rank with all other ordinary claims against the Issuer except the ones classified in higher payment ranks (*i.e.*, Ordinary Senior Notes and Senior Eligible Notes shall rank under point 6) above). In the event of normal insolvency proceedings (*prisilna likvidacija*), the Issuer will therefore be required to pay the holders of claims listed under points 1) through 5) in full before it can make any payments on any Ordinary Senior Notes and Ordinary Senior Eligible Notes.

The ranking of claims in normal insolvency proceedings (*prisilna likvidacija*) provided by Croatian law does not provide for a clear and exact ranking of claims with respect to Non-Preferred Senior Eligible Notes. The Non-Preferred Senior Eligible Notes will in normal insolvency proceedings (*prisilna likvidacija*) of the Issuer rank below claims listed under points 1) through 7) above so that they shall be settled as claims under point 8) above. However, the settlement order with respect to the Non-Preferred Senior Eligible Notes within point 8) above is not clearly provided by law. The Issuer will therefore be required to pay the holders of claims listed under points 1) through 7) in full before it can make any payments on any Non-Preferred Senior Eligible Notes, but it may also be required to pay the holders of certain categories of claims as provided in point 8) above (including, among others, the claims of the holders of the subordinated debt which is not included in the items of AT 1 or Tier 2 capital) in full before it can make any payments on any Non-Preferred Senior Eligible Notes.

Holders of the Notes are exposed to the risk that the Issuer may issue further debt instruments or incur further liabilities.

There may be no restrictions (contractual or otherwise) on the amount of debt or other liabilities that the Issuer may (or may have to) issue, borrow and/or incur, ranking *pari passu* with the Ordinary Senior Notes or ranking *pari passu* with or senior to the Eligible Notes.

Any issue of such instruments and/or any incurring such liabilities may reduce the amount recoverable by Holders of the Notes upon the Issuer's normal insolvency proceedings (*prisilna likvidacija*).

Where Notes are redeemable at the option of the Issuer, the Notes may be redeemed early

In addition, if in the case of any particular Tranche of Notes, the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances or at any time (in the case of Eligible Notes, subject to the prior consent of the Relevant Authority, if such consent is then required by the Capital Regulations), the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low or in other circumstances favourable to the Issuer. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Any decision by the Issuer as to whether it will exercise its option to redeem the Notes will be taken at the absolute discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of exercising such option to redeem the Notes, any tax consequences, the regulatory capital requirements and the prevailing market conditions. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes until maturity.

2.2 Risks specifically relating to Eligible Notes

The Eligible Notes do not give the right to accelerate future payments, and also may not be subject to set-off or any guarantee.

The Terms and Conditions of the Eligible Notes do not provide for any events of default and the Holders of the Eligible Notes do not have the right to accelerate any future scheduled payment of interest or principal.

Furthermore, the Eligible Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution and are neither secured nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Eligible Notes.

The Eligible Notes may be redeemed at any time for reasons of taxation or regulatory reasons.

If such right is provided in the Conditions, the Issuer may at its sole discretion, redeem the Eligible Notes before their stated maturity, at any time, either for taxation or regulatory reasons. In addition, if such right is foreseen in the Final Terms, the Issuer may at its sole discretion redeem the Eligible Notes before their stated maturity on a specified call redemption date.

During any period when the Issuer may, or is perceived to be able to, elect to redeem Notes, the market value of such Notes generally will not rise substantially above and may in fact decrease below the price at which they can be redeemed. This may also be true prior to any redemption period.

In the case of any redemption, an investor may not be able to reinvest the redemption proceeds in a comparable security with a rate of return that is as high as that of the relevant Notes.

Any rights of the Issuer to early redeem or repurchase the Eligible Notes are subject to the prior permission of the Resolution Authority.

Potential investors should not invest in the Eligible Notes in the expectation that any early redemption right will be exercised by the Issuer.

Any early redemption and any repurchase of the Eligible Notes is subject to the prior permission of the Resolution Authority, all if and as applicable from time to time to the Issuer. Under the CRR, the Resolution Authority may only permit institutions to early redeem or repurchase eligible liabilities instruments (such

as the Eligible Notes) if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Resolution Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Resolution Authority will apply these criteria in practice and such rules and standards may change during the maturity of the Eligible Notes. It is therefore difficult to predict whether, and if so, on what terms, the Resolution Authority will grant its prior permission for any early redemption or repurchase of the Eligible Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Resolution Authority, any decision by the Issuer as to whether it will early redeem the Eligible Notes will be made at the sole discretion of the Issuer with regard to external factors (such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions). The Issuer disclaims, and investors should therefore not expect (and not invest in the expectation), that the Issuer will exercise any early redemption right in relation to the Eligible Notes.

Market making by the Issuer for the Eligible Notes is subject to the prior permission of the Resolution Authority and certain conditions and thresholds.

The Eligible Notes may be repurchased by the Issuer for market making purposes only subject to certain conditions, such as the prior permission of the Resolution Authority, and within certain thresholds.

These conditions and thresholds restrict the Issuer's possibility for market making for the Eligible Notes. Such restrictions may have a negative impact on the liquidity of the Eligible Notes and may lead to inadequate or delayed market prices for the Eligible Notes.

2.3 Risks relating to the nature of the Notes

Liquidity risk.

Application for the Programme has been made in order for any Notes to be issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange, to be traded on the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange and application may be made to admit the Notes on any other stock exchange. Notes may however not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance that any liquid secondary market for the Notes will develop. Further, the Notes could trade at prices that may be higher or lower than the initial offering price depending on several factors, including prevailing interest rates, the Issuer's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Issuer's financial performance and prospects.

The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell its Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons. Further, the listing of any Notes on the official list of the Luxembourg Stock Exchange, or the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange or any other stock exchange may, dependent on the circumstances of an individual case be suspended or discontinued.

Investors should note that difficult global credit market conditions may adversely affect the liquidity not only in the primary market but also in the secondary market for debt securities issued by the Issuer and may affect the liquidity of any primary or secondary market in which Notes to be issued by the Issuer may be traded. The Issuer cannot predict when these circumstances will change.

Market price risk.

The development of market prices of the Notes depends on various factors, such as changes of levels of the current market interest rate on the capital market for issues of the same maturity ("**Market Interest Rate**"), development of an underlying, the policy of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The Holders are therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the Holder sells the

Notes prior to the final maturity of such Notes. If the Holder decides to hold the Notes until final maturity the Notes shall be redeemed at the amount set out in the relevant Final Terms.

Holders of Fixed Rate Notes are particularly exposed to the risk that the price of such Notes falls as a result of changes in the Market Interest Rate levels. While the nominal interest rate of a Fixed Rate Note as specified in the applicable Final Terms is fixed during the life of such Notes, the current interest rate on the capital market typically changes on a daily basis. As the Market Interest Rate changes, the price of Fixed Rate Notes also changes, but in the opposite direction. If the Market Interest Rate increases, the price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the Market Interest Rate of comparable issues. If the Market Interest Rate falls, the price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the Market Interest Rate of comparable issues. If Holders of Fixed Rate Notes hold such Notes until maturity, changes in the Market Interest Rate are without relevance to such Holders as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes.

Holders of Floating Rate Notes are particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

Currency risk.

A Holder of Notes denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

A change in the value of any foreign currency against the local currency of a Holder, for example, will result in a corresponding change in the local currency value of Notes denominated in a currency other than the local currency and a corresponding change in the local currency value of interest and principal payments made in a currency other than in the local currency in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the local currency correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder expressed in the local currency falls.

The payments in case of sale/purchase of the Notes may be subject to Croatian rules on payments in foreign currencies where as a result payments may need to be effected in Croatian kuna thus exposing the investors to exchange rate and inflation risk.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

2.4 Risks relating to the specific Terms and Conditions of the Notes

Certain benchmark rates may be discontinued or reformed in the future.

The EURIBOR and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (as amended, the "**Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The Benchmark Regulation could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from

continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial Notes and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new €STR as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. On 18 March 2021 the ECB announced its intention to start publishing compounded average €STR rates on 15 April 2021. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Terms and Conditions of the Notes" provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to and SOFR as a reference rate for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to SOFR as a reference rate in the capital markets and its adoption as an alternative to U.S. Dollar LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SOFR, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term). The continued development of SOFR rates as an interest reference rate for the Eurobond markets, as well as continued development of SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of SOFR as a reference rate for the Notes continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SOFR. In particular, investors should be aware that several different SOFR

methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions as applicable to the Notes. Furthermore, the Issuer may in future issue Notes referencing SOFR that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives or SOFR and loan markets. Holders should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR.

SOFR differs from LIBOR in a number of material respects and has a limited history.

SOFR differs from LIBOR in a number of material respects, including that SOFR is a backwards-looking, compounded, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SOFR may behave materially differently as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on April 3, 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SOFR in their current form began in April 2018 and it therefore has a limited history. The future performance of SOFR may therefore be difficult to predict based on the limited historical performance. The level of SOFR during the term of the Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR such as correlations, may change in the future.

Furthermore, the rate of interest is only capable of being determined at the end of the relevant applicable period and immediately prior to the relevant Interest Payment Date. It may be difficult for Holders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based notes, if the Notes become due and payable as a result of an Event of Default under § 10 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR.

The New York Federal Reserve (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Holders when calculating, adjusting, converting, revising or discontinuing SOFR.

Fixed to Floating Rate Notes or Fixed to Fixed to Floating Rate Notes.

Fixed to Floating Rate Notes or Fixed to Fixed to Floating Rate Notes bear interest at a rate that converts from one or more fixed rate(s) to a floating rate. Such conversion may affect the secondary market and the market value of the Notes. The spread on the Fixed to Floating Rate Notes or Fixed to Fixed to Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes.

Risks related to the German Act on Debt Securities of 2009

Since the Terms and Conditions of Notes issued under the Programme provide for meetings of Holders of a series of Notes or the taking of votes without a meeting, the Terms and Conditions of such Notes may be amended (as proposed or agreed by the Issuer) by majority resolution of the Holders of such Notes and any such majority resolution will be binding on all Holders. Any Holder is therefore subject to the risk that its rights against the Issuer under the Terms and Conditions of the relevant series of Notes are amended, reduced or even cancelled by a majority resolution of the Holders. Any such majority resolution will even be binding on Holders who have declared their claims arising from the Notes due and payable based on the occurrence of an event of default but who have not received payment from the Issuer prior to the amendment taking effect. According to the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz – "SchVG"*), the relevant majority for Holders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the relevant Notes outstanding. Therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the relevant Notes outstanding.

Under the SchVG, an initial common representative (*gemeinsamer Vertreter*) of the Holders (the "**Holders' Representative**") may be appointed in the Terms and Conditions.

However, no initial Holders' Representative might be appointed in the Terms and Conditions at the issue date. Any appointment of a Holders' Representative at a later stage will, therefore, require a majority resolution of the Holders of the Notes. If the appointment of a Holders' Representative is delayed, this may make it more difficult for Holders to take collective action to enforce their rights under the Notes.

If a Holders' Representative is appointed by majority decision of the Holders it is possible that Holders may be deprived of their individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders' Representative by majority vote who is then exclusively responsible to claim and enforce the rights of all the Holders.

The applicable Final Terms will indicate if, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when the Paying Agent has received such default notices from Holders representing at least 25 per cent of the principal amount of the Notes then outstanding. Under the SchVG, even if a default notice is given by a sufficient number of Holders, it could be rescinded by majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices. Holders should be aware that, as a result, they may not be able to accelerate their Notes upon the occurrence of certain events of default, unless the required quorum of Holders with respect to the Notes delivers default notices and such acceleration is not rescinded by majority resolution of the Holders.

2.5 Other material risks relating to the Notes

European resolution regime and loss absorption at the point of non-viability

SRM Regulation, Recovery and Resolution Directive and Croatia implementation

The Prudential Group is subject to Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**"). Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") is also fully applicable as implemented by the Act on the Resolution of Credit Institutions and Investment Firms.

On 12 December 2017, Directive 2017/2399 (the "**Amendment Directive**") was adopted by the European Parliament and Council. The Amendment Directive introduced a new layer in insolvency for unsecured and unsubordinated debt instruments issued by credit institutions and financial institutions within their consolidation perimeter that are established within the EU and has been implemented in the Act on the Resolution of Credit Institutions and Investment Firms.

Amendments to the SRM Regulation and the BRRD in 2019 entered into force on 1 January 2020. The amendments include, among other things, the power for the resolution authority to prohibit certain

distributions; the power for the resolution authority to suspend any contractual payment or delivery obligations after a firm is deemed failing or likely to fail, but before entry into resolution; restrictions on the selling of subordinated eligible liabilities to retail clients; amendments to the requirements on the contractual recognition of bail-in, to address circumstances in which it would be legally or otherwise impractical to include a contractual term; and a requirement for entities to include, in financial contracts governed by third country law, a term by which the parties recognize that the financial contract may be subject to the exercise of powers by the resolution authority to suspend or restrict obligations. The resolution authorities were also granted the power to treat an amalgamation of deposit banks, such as the Prudential Group, as a single resolution entity under the conditions provided in the BRRD. The amendments also clarify the junior ranking of claims resulting from own funds items.

The SRM Regulation applies to entities covered by the Single Supervisory Mechanism. According to the selection criteria of the ECB, the Prudential Group, including the Issuer, are currently subject to the SRM Regulation.

The SRM Regulation establishes a single European resolution board (the "**SRB**") having resolution powers over the institutions that are subject to the SRM Regulation, thus replacing or exceeding the powers of the national authorities. The SRB will draw up and adopt a resolution plan for the entities subject to its powers, including the Prudential Group. This means that the SRB serves as the national authority for credit institutions under direct surveillance of the ECB under the BRRD. It will also determine, after consultation with competent authorities, a minimum requirement for own funds and eligible liabilities subject to write-down and conversion powers which the Prudential Group will be required to meet at all times (see "*Minimum requirement for own funds and eligible liabilities (MREL)*" below). The SRB will also use the powers of early intervention as set forth in the SRM Regulation, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution.

The powers granted to the SRB under the SRM Regulation include, among others, a separate resolution tool, the "bail-in tool", which give the relevant resolution authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities. The bail-in tool can be used to recapitalise an institution that is failing or likely to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring.

In particular, the SRB may, pursuant to Articles 21 and 27 of the SRM Regulation and subject to the priority order of claims provided in the Act on the Resolution of Credit Institutions and Investment Firms decide to write down the nominal value of the Notes in order to cover the losses of the Issuer and to recapitalise it up to the level determined by the Resolution Authority. The SRB may decide to write down the nominal value of the Notes in order to cover the losses of other credit institutions belonging to the Prudential Group and their financial subsidiaries and to recapitalise them up to the level determined by the Resolution Authority, if the Prudential Group as a whole is entered into resolution pursuant to the SRM Regulation and the Act on the Resolution of Credit Institutions and Investment Firms. The amount of write-down may be converted into financial instruments eligible for the own funds of the Issuer or its successor or, if the Prudential Group as a whole is entered into resolution, another credit institution of the Prudential Group, and assigned to the holders of the Notes. If the Issuer is entered into resolution pursuant to the SRM Regulation together with one or more other credit institutions or other financial institutions belonging to the Prudential Group, the SRB may, pursuant to Article 24 of the SRM Regulation, make a decision to merge one or more such credit institutions and their financial subsidiaries with the Issuer, in which case the nominal value of the Notes can be written down to cover losses of all merging credit institutions and their financial subsidiaries and to recapitalise the credit institution emerging from the merger up to the level determined by the Resolution Authority. The amount of the write-down may be converted into financial instruments eligible for the own funds of the Issuer or a new credit institution resulting from the merger and assigned to the holders of the Notes.

In addition, the powers granted to the SRB under the SRM Regulation include the following resolution tools: (i) to direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) to transfer all or part of the business of the relevant financial institution to a "bridge bank" (a publicly controlled entity) and (iii) to transfer the assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time. The SRM Regulation also grants powers to enable the SRB to implement the resolution tools, including the power to replace or substitute the relevant financial institution as obligor in respect of debt Notes, the power to modify the terms of debt Notes (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or the power to discontinue the listing and admission to trading of financial instruments.

The BRRD also allows for an EEA member state, as a last resort, to be able to provide extraordinary public financial support through additional financial stabilisation tools (namely, the public equity support and temporary public ownership tools). Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

Any application of the "bail-in" power shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on Holders will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors.

The resolution tools are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant credit institution could have been initiated and only upon the SRB being satisfied that the relevant conditions for resolution contained in the SRM Regulation have been met. The SRM Regulation contains safeguards for shareholders and creditors in respect of the application of the "bail-in tool" which aim to ensure that they do not incur greater losses than they would have incurred had the relevant credit institution been wound up under normal insolvency proceedings. To the extent any resulting treatment of Holders pursuant to the exercise of the "bail-in" power is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a Holder has a right to compensation under the SRM Regulation based on an independent valuation of an institution (which is referred to as the "no creditor worse off" principle under the SRM Regulation). Any such compensation is unlikely to compensate that Holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Where a Holder would not have received any distribution in normal insolvency proceedings there will be no compensation at all.

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Notes and could lead to Holders losing some or all of the value of their investment in the Notes. In particular, the exercise of the bail-in tool pursuant to Article 27 of the SRM in respect of the Issuer and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Holders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to Holders losing some or all of the value of their investment in such Notes.

Minimum requirement for own funds and eligible liabilities (MREL)

The BRRD and the SRM Regulation introduced the requirement for firms to meet the MREL designed to ensure sufficient loss absorbing capacity to enable the continuity of critical functions without recourse to public funds. All institutions must meet an individual MREL requirement calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities from 1 January 2016. On 23 May 2016, the European Commission adopted regulatory technical standards, on criteria to be considered by resolution authorities when setting MREL on a firm-by-firm basis. These allow resolution authorities to determine an appropriate transitional period (which should be no longer than four years) to allow institutions a reasonable time period to reach the applicable MREL requirements. On 20 January 2020, the SRB published its 2020 policy on MREL. MREL decisions implementing the new framework will be taken based on this policy in the 2020 resolution planning cycle. The decisions will be communicated to banks in early 2021. These decisions will replace those issued under the previous legal framework. Each new decision will set out two binding MREL targets, including those for subordination: the binding intermediate target to be met by 1 January 2022 and the fully calibrated MREL (final target) to be met by 1 January 2024.

Items eligible for inclusion in MREL will include an institution's own funds (within the meaning of CRD), along with "**eligible liabilities**," meaning liabilities which, among other things, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), and do not arise from derivatives. The MREL requirement may also have to be met partially through the issuance of contractual bail-in Notes that are effectively subordinated to other unsubordinated eligible liabilities in a bail-in or insolvency of the relevant institution.

As it is difficult to predict the effect MREL requirements may have on the Prudential Group until MREL has been fully implemented, there is a risk that the requirements of MREL could require the Prudential Group to issue additional eligible liabilities for the purposes of MREL in order to meet the new requirements within the required timeframes and to hold additional funds and/or eligible liabilities in order to satisfy the MREL requirements set for the Prudential Group. Such actions may increase its compliance costs, delay, limit or restrict the execution of the Prudential Group's strategy and may have an adverse effect on the Prudential Group's capital structure as well as on its business, financial condition and results of operations.

MREL requirements are expected to have an impact across the market including a potentially adverse effect on the credit rating of the securities issued by the Prudential Group (including the Notes issued by the Issuer) and its competitors, and there is a risk that the relative impact may give rise to a reduction in the competitiveness of the Prudential Group. If the Prudential Group were to experience difficulties in raising MREL, it may have to reduce its lending or investments in other operations.

The Issuer may be subject to statutory resolution

The powers set out in the BRRD (as transposed into national law) and the SRM Regulation will impact how European credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

There remains uncertainty regarding how the applicable resolution legislation will affect the Issuer, the Prudential Group and the Notes. The resolution authority can decide to write down the nominal value of the Notes and convert them into shares of the Issuer in order to absorb losses of the Issuer, if the Issuer is entered into resolution. The exercise of any power under the SRM Regulation or any suggestion of, or perception of there being an increased likelihood of, such exercise could materially adversely affect the rights of Holders, the price or value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. Prospective investors in the Notes should consult their own adviser(s) as to the possible consequences of the SRM Regulation (see "*European resolution regime and loss absorption at the point of non-viability*" above).

The Issuer's gross-up obligation under the Notes is limited

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of any Series of Notes applies only to payments of interest due and paid under such Notes and not to payments of principal (which term, for these purposes, includes any premium, final redemption amount, early redemption amount, optional redemption amount and any other amount (other than interest) which may from time to time be payable in respect of such Notes).

As such, the Issuer would not be required to pay any additional amounts under the terms of any Series of Notes to the extent any withholding or deduction should become applicable to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under any Series of Notes, holders of such Notes would, upon repayment or redemption of such Notes, be entitled to receive only the net amount of such redemption or repayment proceeds after deduction of the amount required to be withheld. Therefore, holders may receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected as a result.

Notes issued as ESG Bonds with a specific use of proceeds, may not meet investor expectations or requirements.

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer's intention that such Notes are issued as ESG Bonds. It is the Issuer's intention to apply an amount equivalent to the net proceeds of those ESG Bonds for projects that promote climate-friendly and other environmental, sustainable and/or social purposes which meet the eligibility criteria set out in any framework the Issuer may publish from time to time on its website (such projects, "**Eligible Projects**").

A prospective investor should have regard to the information set out in the section "Use of Proceeds" below and determine for itself the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary.

No assurance is given by the Issuer, the Arranger or the Dealers that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels, including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy**").

As at the date of this Prospectus, the Issuer has not published a framework relating to an investment in Eligible Projects, although the Issuer intends to publish such framework prior to the issuance of any ESG Bonds under this Programme which specifies that the relevant proceeds will be used for Eligible Projects.

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as ESG Bonds. For the avoidance

of doubt, any such opinion or certification is not incorporated in this Prospectus. Any such opinion or certification is not a recommendation by the Issuer, the Arranger, the Dealer or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. As at the date of this Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

In the event that any such Notes are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealer or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arranger, the Dealer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply an amount equal to the net proceeds of any Notes issued as ESG Bonds for Eligible Projects (as specified in the relevant Final Terms), there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of any Notes issued as ESG Bonds or to report on the use of proceeds or Eligible Projects as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of ESG Bonds or the failure of the Notes issued as ESG Bonds to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels will constitute an event of default or breach of contract with respect to any of the Notes issued as ESG Bonds, nor will it give rise to any redemption option of Noteholders of such ESG Bonds or oblige the Issuer to redeem such ESG Bonds or constitute an incentive to redeem the Notes or, where relevant, compromise the ability of such ESG Bonds to qualify as MREL eligible liabilities.

A failure of the Notes issued as ESG Bonds to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for Eligible Projects, the failure to provide, or the withdrawal of, a third party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid or the failure by the Issuer to report on the use of proceeds or Eligible Projects as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

Each prospective investor should have regard to the relevant information contained in this Prospectus and the relevant Final Terms and seek advice from their independent financial adviser or other professional adviser regarding its purchase of ESG Bonds issued under the Programme before deciding to invest.

ISSUE PROCEDURES

General

The Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). The Conditions of the relevant Notes will result from the choice of a set of Terms and Conditions (the "**Terms and Conditions**") (each such set of Terms and Conditions an "**Option**") as set forth below and from the provisions of the Final Terms, as set out and described in more detail below.

Options for sets of Terms and Conditions

This Prospectus provides for various sets of Terms and Conditions. The Final Terms enable the Issuer to choose among the following Options:

Option I – Terms and Conditions for Ordinary Senior Notes.

Option II – Terms and Conditions for Eligible Notes.

Documentation of the Conditions

The Issuer may document the Conditions of an individual issue of Notes in either of the following ways:

The Final Terms shall determine by the choice of the set of Terms and Conditions (Option I or Option II) and the complete replication of all applicable selections and the completion of the relevant placeholders contained in the relevant set of Terms and Conditions, which Option and which selections shall be applicable to the individual issue of Notes. The replicated and completed provisions of the respective Option plus Part II of the Final Terms shall constitute the Conditions of the Notes, which will be attached to each Global Note representing the Notes.

Alternatively, the Final Terms shall determine which set of Terms and Conditions (Option I or Option II) shall be applicable and which selections within the chosen Option are applicable to the individual issue by only referring to the specific sections of the relevant Option. The Final Terms will then specify that the provisions of Part I of the Form of Final Terms and the relevant Option, taken together with Part II of the Form of the Final Terms, shall constitute the Conditions. Each Global Note representing the tranche of the respective Notes will have the Final Terms and the relevant set of Terms and Conditions as set out in this Prospectus attached.

Choice of Options

The Final Terms shall determine in the first step which of Option I or Option II shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions of Option I or Option II contains also certain further sub-options (characterised by indicating the optional provision through instructions and explanatory notes set out in the square brackets within the text of the relevant Option) as well as placeholders (characterised by square brackets which include the relevant items) which, based on the features determined for the concrete issue, will be determined by the Final Terms as follows:

Determination of selections

The Issuer will determine which selections will be applicable to the individual issue either by replicating the relevant provisions in the Final Terms or by reference of the Final Terms to the sections of the relevant Option. If the Final Terms do not replicate or refer to an alternative or optional provision the relevant provisions shall be deemed to be deleted from the Conditions.

Completion of Placeholders

The Final Terms will specify the information with which the placeholders in the relevant Option will be completed. In case of replication of the applicable provisions the placeholders will be completed at the relevant place in the respective Option. In case the provisions of the Final Terms and the relevant Option, taken together, shall constitute the Conditions the relevant Option shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the placeholders of such provisions.

In that case, all instructions and explanatory notes and text set out in square brackets and not chosen in the relevant Option and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

Deletion of Options and Placeholders in the Final Terms

When preparing the Final Terms the Issuer may, in the case that the Final Terms together with the relevant Option represent the Conditions, delete not chosen or filled in placeholders or, as the case may be, provisions that are not applicable for reasons of readability.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, either by complete replication of all applicable selections and the completion of the relevant placeholders contained in the Terms and Conditions or as completed by the relevant Final Terms, will be endorsed on each Global Note issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may complete any information in this Prospectus.

The Terms and Conditions of the Notes (the "**Terms and Conditions**") are set forth below for two options:

Option I comprises the set of Terms and Conditions that apply to Tranches of Notes which are Ordinary Senior Notes.

Option II comprises the set of Terms and Conditions that apply to Tranches of Eligible Notes.

The set of Terms and Conditions for each of these Options contains certain further suboptions, which are characterised accordingly by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the Option.

In the Final Terms the Issuer will determine, which of Option I or Option II including certain further sub-options contained therein, respectively, shall apply with respect to an individual issue of Notes, either by replicating the relevant provisions or by referring to the relevant options.

To the extent that upon the approval of this Prospectus the Issuer had no knowledge of certain items which are applicable to an individual issue of Notes, this Prospectus contains placeholders set out in square brackets which include the relevant items that will be completed by the Final Terms.

[In case the options applicable to an individual issue are to be determined by referring in the Final Terms to the relevant options contained in the set of Terms and Conditions for Option I or Option II, insert:

The provisions of these Terms and Conditions apply to the Notes as completed by the terms of the final terms which are attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified office of the Fiscal Agent and at the registered office of the Issuer provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to Holders of such Notes.]

TERMS AND CONDITIONS FOR ORDINARY SENIOR NOTES

OPTION I - TERMS AND CONDITIONS FOR ORDINARY SENIOR NOTES

§ 1 DEFINITIONS

"**Business Day**" means any day (other than a Saturday or a Sunday) on which [the Clearing System] *[if the Specified Currency is EUR or if TARGET is needed for other reasons, insert: [as well as] the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) ("TARGET")]* [is] [are] operational *[if the Specified Currency is not EUR or if needed for other reasons, insert: [and] commercial banks and foreign exchange markets settle payments in [all relevant financial centres].*

"**Clearing System**" means each of Clearstream Banking S.A., Luxembourg, ("CBL") and Euroclear Bank SA/NV, as operator of the Euroclear System ("Euroclear") (CBL and Euroclear are each an "ICSD" (International Central Securities Depository) and together the "ICSDs").

"**Conditions**" means these Terms and Conditions of the Notes.

"**Holder**" means any holder of a co-ownership interest or other beneficial interest or right in the Notes.

[In case of Floating Rate Notes, insert:

"**Interest Determination Date**" means the [[[second] *[insert other applicable number of days]*] Business Day prior to the [commencement] [end]¹ of the relevant Interest Period.] [first day of the relevant Interest Period.] [[●] Business Day[s] prior to [the expiry] [the Coupon Date] of the relevant Interest Period.]

"**Reference Interest Rate**" means the offered quotation for the [number]-month [EURIBOR] [SOFR] which appears on the Screen Page as of [11.00 a.m.] *[insert other relevant time]* (*[insert relevant time zone]*) on the [Interest Determination Date] *[determine other day]*.

"**Screen Page**" means [REUTERS Screen Page [EURIBOR01] *[insert Screen Page and additional information if necessary]* or each successor page].

[For EURIBOR, insert:

If – other than in case of a Discontinuation Event (as defined below) – the Screen Page is not available or if no such quotation appears as at such time, the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for the Reference Interest Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations[, however at least 0.00 per cent *per annum*], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at the request of the Issuer to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified

¹ In case of SOFR interest determination in arrear, the Interest Determination Date shall not be less than five U.S. Government Securities Business Days prior to the Coupon Date.

Currency for the relevant Interest Period by leading banks in the Euro-Zone[, however at least 0.00 per cent *per annum*].

If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions the Issuer will determine the Reference Interest Rate for the relevant Interest Period at its equitable discretion according to § 317 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") and also having regard to the operational requirements of the Calculation Agent. The Issuer shall notify the Calculation Agent of any determination made by it under these Conditions.

"**Reference Banks**" means the offices of not less than [four] [*insert other number*] major banks in the Euro-Zone.

Reference Interest Rate replacement in case of a Discontinuation Event. If the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate, or (ii) the administrator of the Reference Interest Rate ceases to calculate and publish the Reference Interest Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the Reference Interest Rate is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on each relevant Interest Determination Date, by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Reference Interest Rate**") according to the following paragraphs in the order of I)-III):

I) The Reference Interest Rate shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the Reference Interest Rate, the competent central bank or a regulatory or supervisory authority as the successor rate for the Reference Interest Rate and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the Interest Determination Date and, subsequently the Holders of the Notes in accordance with § 14. [If, on any previous Interest Determination Date, the Successor Reference Interest Rate was also determined in accordance with the provisions of paragraph I), no [other] publication obligations will apply for the Issuer in connection with such Successor Reference Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [the] [Interest Amount] as set out below;]

II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the Reference Interest Rate, provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the Reference Interest Rate, then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply *mutatis mutandis*. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the Interest Determination Date about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the Reference Interest Rate with a Successor Reference Interest Rate in accordance with the above provisions I) or II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Reference Interest Rate, for the purpose of achieving a result which is consistent with the economic substance of the Reference Interest Rate before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the Rate of Interest and calculating the Interest Amount in order to follow market practice in relation to the Successor Reference Interest Rate (such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount). Thereafter, the Issuer shall inform the Calculation Agent at the latest 10 days prior to the Interest Determination Date and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph I) above).

III) If the source of the successor rate for the Reference Interest Rate determined in accordance with the above provision I) or the Successor Screen Page determined in accordance with the above provision II) is not accessible to the Calculation Agent or if the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the Interest Determination Date and to notify the Calculation Agent or in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a Successor Reference Interest Rate according to the provisions above was not sufficient, the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the "**Procedures Determination Date**");

[a]) that the Reference Interest Rate shall be the offered quotation for the Reference Interest Rate which appeared on the Screen Page on the last day preceding the relevant Interest Determination Date on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.]; or

b) redeem the Notes in whole but not in part, by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and
- (iii) the [Final Redemption Amount][Early Redemption Amount].

If the Issuer elects to redeem the Notes, the Reference Interest Rate applicable from the last [Coupon Date] [Interest Payment Date] prior to the redemption date until (but excluding) the redemption date shall be the Reference Interest Rate applicable to the immediately preceding Interest Period.]

"**Independent Adviser**" means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

[For Compounded Daily SOFR, insert:]

"**SOFR**" means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve's website, in each case on or about 5.00 p.m. (New York City Time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day.

If SOFR is not available or if no such quotation appears at such time and, (1) unless the Issuer has confirmed to the Calculation Agent that both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have occurred, this SOFR in respect of the last U.S. Government Securities Business Day applies for which SOFR was published on the Screen Page; or (2) if the Issuer has confirmed to the Calculation Agent that both a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have occurred, the rate (inclusive of any spreads or adjustments) that was notified to the Calculation Agent by the Issuer as being the rate that was recommended as the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator), provided that, if no such rate has been notified to the Calculation Agent by the Issuer as having been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then the rate for each Interest Determination Date occurring on or after the SOFR Index Cessation Effective Date will be determined as if (i) references to SOFR were references to OBFR, (ii) references to U.S. Government Securities Business Day were references to New York Business Day, (iii) references to SOFR Index Cessation Event were references to OBFR Index Cessation Event and (iv) references to SOFR Index Cessation Effective Date were references to OBFR Index Cessation Effective Date; and provided further that, if no such rate has been notified to the Calculation Agent by the Issuer

as having been so recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date and an OBFR Index Cessation Effective Date has occurred, then the rate for each Interest Determination Date occurring on or after the SOFR Index Cessation Effective Date will be determined as if (x) references to SOFR were references to FOMC Target Rate, (y) references to U.S. Government Securities Business Day were references to New York Business Day and (z) references to the Screen Page were references to the Federal Reserve's Website.

Where:

"FOMC Target Rate" means, the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's Website or, if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

"U.S. Government Securities Business Day" means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"OBFR", means, with respect to any Interest Determination Date, the daily Overnight Bank Funding Rate in respect of the New York Business Day immediately preceding such Interest Determination Date as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or a successor administrator) on the New York Fed's Website on or about 5:00 p.m. (New York time) on such Interest Determination Date.

"OBFR Index Cessation Effective Date" means, in respect of a OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used.

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the OBFR) announcing that it has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide OBFR; or
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of OBFR) has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide OBFR; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of OBFR that applies to, but need not be limited to, all swap transactions, including existing swap transactions.

"SOFR Index Cessation Effective Date" means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used.

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide a Secured Overnight Financing Rate; or
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time,

there is no successor administrator that will continue to provide the Secured Overnight Financing Rate; or

(c) a public statement by a U.S. regulator or U.S. other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions.]

§ 2

CURRENCY, DENOMINATION, ISSUE DATE, FORM, CUSTODY

(1) *Currency – Denomination – Issue Date.* This Series of Notes (the "**Notes**") of Raiffeisenbank Austria d.d. (the "**Issuer**") is being issued on [*insert Issue Date*] (the "**Issue Date**") in [*insert Specified Currency*] (the "**Specified Currency**") in the aggregate principal amount of [*aggregate principal amount*] (in words: [*aggregate principal amount in words*]) in the denomination of [*insert Specified Denomination*²] (the "**Specified Denomination**").

(2) *Form.*

(a) The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note, insert:

(b) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall be signed by duly authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:

(b) *Temporary Global Note – Exchange – Permanent Global Note.*

(i) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**" and, each a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by duly authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(ii) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 2(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States. For purposes of this subparagraph, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

(3) *Custody.* The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

² Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000 at the time of the trade date of the Notes.

[In the case that the Global Note is an NGN, insert: The Notes are issued in New Global Note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of the Notes represented by the Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of a partial early redemption of the Notes, the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by the Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs.]

[In the case that the Global Note is a CGN, insert: The Notes are issued in Classical Global Note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

§ 3 STATUS

Status Ordinary Senior Notes. The obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Issuer ranking in the event of normal insolvency proceedings (*prisilna likvidacija*) of the Issuer *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated instruments or obligations of the Issuer except for any instruments or obligations preferred or subordinated by law.

§ 4 INTEREST

[In case of Fixed Rate Notes insert:

(1) *Rate of Interest, Interest Period[s].*

(a) The Notes shall bear interest based on their principal amount during the Interest Period[s] from (and including) *[insert interest commencement date]* (the "**Interest Commencement Date**") to (but excluding) the *[in case of no adjustment of Interest Period insert: [last] Coupon Date]* *[in case of an adjustment of Interest Period insert: Maturity Date (as defined in § 6(1))]*.

[An][The] "**Interest Period**" is respectively from (and including) the Interest Commencement Date to (but excluding) the *[in case of no adjustment of Interest Period insert: [first] Coupon Date]* *[in case of an adjustment of Interest Period insert: [first] Interest Payment Date]* [Maturity Date] [and thereafter from (and including) each *[in case of no adjustment of Interest Period insert: Coupon Date]* *[in case of an adjustment of Interest Period insert: Interest Payment Date]* to (but each excluding) *[in case of no adjustment of Interest Period insert: the next following Coupon Date or last Coupon Date]* *[in case of an adjustment of Interest Period insert: next following Interest Payment Date or the Maturity Date]*].

The Interest Period[s] will be [un]adjusted.

(b) The rate of interest is *[insert Rate of Interest]* per cent *per annum* (the "**Rate of Interest**").

(2) *Coupon Date[s], Interest Payment Date[s].* Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on *[insert Coupon Date(s)]* in each year (each such date a "**Coupon Date**") and always remain unadjusted.] [Coupon Date is on *[insert Coupon Date]* (the "**Coupon Date**") and it remains unadjusted.]

[The first Coupon Date shall be on *[insert first Coupon Date]*. The last Coupon Date shall be on *[insert last Coupon Date]*.]

Interest on the Notes shall be payable on [the] [each] Interest Payment Date.

"**Interest Payment Date**" means such Business Day, on which the interest is in fact due and payable. This may fall on a Coupon Date or may shift to the appropriated Business Day – if the Coupon Date falls on a day which is not a Business Day – based on the application of the adjustment provision as set out in § 5 (6) (*Business Day Convention*).

[In the case of short/long Interest Periods insert: [The [first] [last] Interest Period is [shortened] [extended]]; [first Coupon Date is: [●]] [last Coupon Date is: [●]].]

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

[In case of Floating Rate Notes, insert:

(1) *Interest Period[s], Coupon Date[s], Interest Payment Date[s].*

(a) The Notes shall bear interest based on their principal amount during the Interest Period[s] from (and including) [*insert Interest Commencement Date*] (the "**Interest Commencement Date**") to (but excluding) the [*in case of no adjustment of Interest Period insert:* [last] Coupon Date] [*in case of an adjustment of Interest Period insert:* Maturity Date (as defined in § 6(1))].

[An][The] "**Interest Period**" is [respectively] from (and including) the Interest Commencement Date to (but excluding) the [*in case of no adjustment of Interest Period insert:* [first] Coupon Date] [*in case of an adjustment of Interest Period insert:* [first] Interest Payment Date] [Maturity Date] [and thereafter from (and including) each [*in case of no adjustment of Interest Period insert:* Coupon Date] [*in case of an adjustment of Interest Period insert:* Interest Payment Date] to (but each excluding) [*in case of no adjustment of Interest Period insert:* the next following Coupon Date or last Coupon Date] [*in case of an adjustment of Interest Period insert:* the next following Interest Payment Date or the Maturity Date].]

The Interest Period[s] will be [un]adjusted.

(b) *Coupon Date[s].* Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on [*insert Coupon Date(s)*] [in each year] (each such date a "**Coupon Date**") and always remain unadjusted.] [Coupon Date is on [*insert Coupon Date*] (the "**Coupon Date**") and it remains unadjusted.]

[The first Coupon Date shall be on [*insert first Coupon Date*]. The last Coupon Date shall be on [*insert last Coupon Date*].]

(c) *Interest Payment Date[s].* Interest on the Notes shall be payable on [the] [each] Interest Payment Date.

"**Interest Payment Date**" means such Business Day, on which the interest is in fact due and payable. This may fall on the Coupon Date or may shift to the appropriated Business Day – if the Coupon Date falls on a day which is not a Business Day – based on the application of the adjustment provision as set out in § 5 (6) (*Business Day Convention*).

[In the case of short/long Interest Period insert: [The [first] [last] Interest Period is [shortened] [extended];] [first Coupon Date is: [*insert first Coupon Date*] ("**First Coupon Date**")]] [last Coupon Date is: [*insert last Coupon Date*] ("**Last Coupon Date**")]].]

(2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for [the][each] Interest Period will be, except as provided below,

[For EURIBOR, insert:

the Reference Interest Rate [, however, should such Reference Interest Rate be below 0.00 per cent *per annum*, a Reference Interest Rate of 0.00 per cent *per annum* will be applied,] [*in case of multiplication with a factor, insert:*, multiplied by the [positive][negative] Factor [and subsequently]] [*in case of a*

Margin insert: [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate *per annum*.]

[For Compounded Daily SOFR, insert:

the Compounded Daily SOFR calculated on a compounded basis for the relevant Interest Period in accordance with the formula below on the Interest Determination Date (as defined below) [, whereby a Compounded Daily SOFR of 0.00 per cent *per annum* will be applied, should such Compounded Daily SOFR be below 0.00 per cent *per annum*.] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate *per annum*.

The Compounded Daily SOFR means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Interest Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [●] decimal place, with [0.000005] [●]% being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"Applicable Period" means **[if the Observation Method is lag:** the Interest Period]**[if the Observation Method is observation shift:** the Observation Period].

"BD" means a U.S. Government Securities Business Day.

"D" means **[insert the relevant number of days]** and represents the number of days in the year used for the calculation of the Rate of Interest.

"d" means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

"d₀" means, for the relevant Applicable Period, the number of U.S. Government Securities Business Days in such Applicable Period.

"i" means for the relevant Applicable Period, a series of whole numbers from one to "d₀", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in such Applicable Period.

"n_i" for any Business Day "i" in the Applicable Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day.

"Observation Method" means [lag][observation shift].

"Observation Period" means, in respect of the relevant Interest Period, the period from, and including, the date falling "p" U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"p" means, for any Applicable Period, **[insert number]** U.S. Government Securities Business Days (provided that "p" shall not be less than five U.S. Government Securities Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five U.S. Government Securities Business Days).

"r" means in respect of any U.S. Government Securities Business Day, the SOFR in respect of such U.S. Government Securities Business Day.

"r_(i-pBD)" means the applicable Reference Interest Rate as set out in the definition of "r" above for, **[where lag is specified as the Observation Method:** the U.S. Government Securities Business Day (being a U.S.

Government Securities Business Day falling in the relevant Observation Period) falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i".][otherwise: the relevant U.S. Government Securities Business Day "i".]]

[Continuation of general terms and conditions for floating interest:

[In the case of short/long first Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Interest Period which ends with the First Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period.)]

[In the case of short/long last Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Interest Period which ends with the Last Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period.)]

["**Factor**" means a positive or negative number and has been determined [for the [first] [●] Interest Period] as [+][-] *[insert number]* *[insert further]*.]

["**Margin**" corresponds to a surcharge or disagio in percentage points and has been determined [for the [first] [●] Interest Period] as [●] [for the [●] Interest Period] as [●]] *[insert further]*.]

[In case a minimum rate of interest applies insert: (3) *Minimum Rate of Interest.* If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is less than *[insert minimum rate of interest]*, the Rate of Interest for such Interest Period shall be *[insert minimum rate of interest]* (Floor).]

[In case a maximum rate of interest applies insert: [(4)] *Maximum Rate of Interest.* If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is greater than *[insert maximum rate of interest]*, the Rate of Interest for such Interest Period shall be *[insert maximum rate of interest]* (Cap).]

[(5)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "Interest Amount") payable on the Notes for the relevant Interest Period. The relevant Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to [the outstanding aggregate principal amount of the Notes] [the Specified Denomination] and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(6)] *Notification of Rate of Interest and Interest Amount.*

[In case of interest determination in advance, insert:

The Calculation Agent will cause the Rate of Interest, the Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date

(i) to be notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] *[insert other date]*, and

(ii) to be notified to the Holders without delay in accordance with § 14 (*Notices* / [No] *Stock Exchange Listing*) hereof.

Each Interest Amount and each Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange and to the Holders as soon as possible in accordance with § 14 (*Notices / [No] Stock Exchange Listing*).]

[In case of interest determination in arrear, insert:

The Calculation Agent will cause the Rate of Interest, the Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date

(i) to be notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than [4 Business Days prior to the expiry of the relevant Interest Period [[the second] [●] Business Day prior to the [Coupon Date] [Interest Payment Date] of the [relevant] Interest Period], and

(ii) to be notified to the Holders without delay in accordance with § 14 (*Notices / [No] Stock Exchange Listing*) hereof.]]

[Continuation of general terms and conditions for interest:

[(7)] *Accrual of Interest and Default Interest.* If the Issuer should fail to redeem the Notes when due, interest shall accrue on the Final Redemption Amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law.³

[(8)] *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

[If Actual/Actual (ICMA Rule 251) is applicable, insert:

The Calculation Period will be calculated on the following basis:

(a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and

(b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:

(i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and

(ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].]

Where:

"**Determination Period**" means the period from and including [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] in any year to but excluding the next [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] (**Actual/Actual (ICMA Rule 251)**).]

³ According to paragraphs 288(1) and 247 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**"), the default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank semi-annually.

[If Actual/Actual (ISDA), insert:

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (**Actual/Actual (ISDA)**).]

[If Actual/365 (Fixed), insert:

the actual number of days in the Calculation Period divided by 365. (**Actual/365 (Fixed)**).]

[If Actual/360, insert:

the actual number of days in the Calculation Period divided by 360 (**Actual/360**).]

[If 30/360 or Bond Basis, insert:

the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month) (**30/360 or Bond Basis**).]

[If 30E/360 or Eurobond Basis, insert:

the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) (**30E/360 or Eurobond Basis**).]

[If 360/360, insert:

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months (**360/360**).]

§ 5 PAYMENTS

(1) *Payment of Principal and Interest.* Payment of principal, interest and any Additional Amounts (as defined in § 8(1)), in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

[In the case of Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2) to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 2(2)(b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

(3) *Payments subject to fiscal laws.* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of § 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder,

any official interpretations thereof, or (without prejudice to the provisions of § 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

[In the case of Notes not denominated in Euro, insert:

If the Issuer determines that the amount payable on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day on the basis of the Applicable Exchange Rate. Holders shall not be entitled to further interest or any other payment as a result thereof. The "**Applicable Exchange Rate**" shall be, (i) if available, the Euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period (as determined by the Issuer in its equitable discretion) prior to the day on which the payment is made or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the Euro as determined by the Issuer in its equitable discretion.]

(4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day, then the payability and actual payment date depend on the Business Day Convention as applicable according to subparagraph (5). The Holder shall not be entitled to payment until the next such day in the relevant place. Irrespective of the provisions regarding the Interest Period, the Holder shall not be entitled to further interest or other payment in respect of such delay.

"**Payment Business Day**" means any day (other than a Saturday or a Sunday) on which the Clearing System *[if the Specified Currency is EUR or if TARGET is needed for other reasons, insert: [as well as] the Trans European Automated Real time Gross settlement Express Transfer System (TARGET2) ("TARGET")]* *[is][are] operational][and] [commercial banks and foreign exchange markets settle payments in [insert all relevant financial centres].]*

(6) *Business Day Convention.* If the date for payment of any amount in respect of any Note would fall on a day which is not a Business Day, it shall be

[if Following Business Day Convention, insert: postponed to the next day which is a Business Day.]

[if Modified Following Business Day Convention, insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]

[if Preceding Business Day Convention, insert: the immediately preceding Business Day.]

[if FRN Convention, insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [[insert number] months] [insert other specified periods] after the preceding applicable Interest Payment Date.]

§ 6 REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on *[in case of a specified Maturity Date insert such Maturity Date]* *[in case of a Redemption Month insert: the Interest Payment Date falling in [insert Redemption Month and Redemption Year]]* (the "**Maturity Date**").

(2) *Final Redemption Amount.*

[If the Notes are redeemed on the Maturity Date at their principal amount insert:

The "Final Redemption Amount" in respect of each Note shall be equal to its principal amount.]

[If the Notes are redeemed on the Maturity Date at an amount other than the principal amount insert:

The "Final Redemption Amount" in respect of each Note shall be [insert currency] [insert amount greater than or equal to the principal amount] for each Note.]

(3) *Early Redemption for Reasons of Taxation.*

(a) The Notes may be declared repayable, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, pursuant to § 14 (*Notices / [No] Stock Exchange Listing*) to the Holders, at their Early Redemption Amount (as defined below) together with interest (if any) accrued to the date fixed for redemption (but excluding) if as a result of any change in, or amendment to, the laws or regulations of Croatia or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations (including relevant court decision), which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 8(1)) on the immediately succeeding Interest Payment Date (as defined in § 4), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

(b) However, such Early Redemption may not occur (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect. ***[In case of Floating Rate Notes, insert:*** The date fixed for Early Redemption must be an Interest Payment Date.]

(c) Any such notice for Early Redemption shall be given to the Fiscal Agent and, pursuant to § 14 (*Notices / [No] Stock Exchange Listing*) to the Holders. It shall be irrevocable and must specify the date fixed for redemption and the Early Redemption Amount.

[If Notes are subject to Early Redemption at the Option of the Issuer:

[(4) *Early Redemption at the Option of the Issuer.*

(a) The Issuer may redeem the Notes in whole or in part, upon giving not more than [60][●] [Business Days] [days] nor less than [30][●] [Business Days] [days] notice in accordance with § 6 [(4)(f)], on the Call Redemption Date[s] at the [Call Redemption Amount[s]] set forth below together with accrued interest, if any, to (but excluding) the [respective] Call Redemption Date.

(b) ***[If Notes are subject to Early Redemption at the Option of the Holder insert:*** The Issuer is not entitled to exercise such option in respect of any Note which is subject to the prior exercise of the Holder's option to redeem such Note pursuant to § 6[(5)].]

(c) "Call Redemption Date[s]" [is] [are] [insert Call Redemption Date[s]]

(d) "Call Redemption Amount[s]" [is] [are] [insert Call Redemption Amount[s]] [for the following Call Redemption Date[s] [insert Call Redemption Date[s]]].

Such a redemption has to be made [at least] [at most] in the amount of [●] per cent of the principal amount of the Notes.

(e) ***[In case of a minimum Call Redemption Amount or an increased Call Redemption Amount insert:*** The Notes have to be redeemed at [their principal amount] [an amount which is at least equal to [insert minimum Call Redemption Amount][insert increased Call Redemption Amount]] per Note.]

(f) Any notice of Early Redemption of the Notes shall be given by the Issuer to the Fiscal Agent and pursuant to § 14 (*Notices / [No] Stock Exchange Listing*) to the Holders and shall specify:

- (i) the Series of Notes that is to be redeemed;
- (ii) a statement as to whether the Series is redeemed in whole or in part and in the latter case the aggregate principal amount of the Notes to be redeemed;
- (iii) the Call Redemption Date[s]; and
- (iv) the Call Redemption Amount at which the Notes are redeemed.]

[If Notes are subject to Early Redemption at the Option of the Holder insert:

[(5)] Early Redemption at the Option of the Holder.

(a) Each Holder has the right to claim an early redemption of the Notes in whole or in part on the Optional Early Redemption Date[s] at the Optional Early Redemption Amount[s], together with any interest accrued until the Optional Early Redemption Date (excluding).

(b) The Holder is not entitled to exercise such option in respect of any Note which is subject to the prior exercise of the Issuer's option to redeem such Note pursuant to § 6[(4)].

After a legally effective exercise of the relevant option by the Holder pursuant to sub-paragraph (e), the Issuer has to redeem the Notes on the Optional Early Redemption Date[s] at the Optional Early Redemption Amount[s], together with any interest accrued until the Optional Early Redemption Date[s] (excluding).

(c) *Optional Early Redemption Date[s]:* **"Optional Early Redemption Date[s]"** [is][are] ***[insert Optional Early Redemption Date[s]]***

(d) *Optional Early Redemption Amount:* **"Optional Early Redemption Amount"** on ***[insert Optional Early Redemption Date]*** is ***[insert Optional Early Redemption Amount]***. **"Optional Early Redemption Amounts"** are as follows: [on ***[insert Optional early Redemption Dates]*** ***[insert Optional Early Redemption Amounts]***].

(e) To exercise this option, the Holder shall notify the Fiscal Agent about the exercise of the option by way of notification in text form ("**Exercise Notification**") not less than ***[insert minimum notification period of at least 5 Business Days]*** and not more than ***[insert maximum notification period]*** days after the day on which the redemption shall occur according to the Exercise Notification. If the Exercise Notification is received on the last day of the notice period before the Optional Early Redemption Date after 5:00 p.m. Zagreb time, the exercise of the option is not effective. The Exercise Notification has to specify: (i) the aggregate principal amount of the Notes regarding which the option is exercised and (ii) the security identification numbers of such Notes (if assigned). The form in the English language available at the offices of the Fiscal Agent and the Paying Agent may be used for the purpose of the Exercise Notification. The exercise of the option is irrevocable. The Notes regarding which the option was exercised, will only be redeemed against delivery of the relevant Notes to the Issuer or its order.]

[If Notes are not subject to Early Redemption at the Option of the Holder insert:

[(6)] No early Redemption at the Option of the Holder. The Holders do not have a right to demand an early redemption of the Notes.]

[(7)] Early Redemption Amount.

For the purpose of [§ 1 (*Definitions*) and] this § 6 the Early Redemption Amount of a Note is equal to [the Final Redemption Amount pursuant to § 6(2)]***[insert other amount/rate]***].

§ 7
AGENTS

(1) *Appointment; Specified Offices.* The initial agents (the "**Agents**") and their respective specified offices are:

"Fiscal Agent" and **"Paying Agent"**:

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

[other/further Fiscal/Paying Agent(s)/specified office(s)]

["Calculation Agent"]:

[The Fiscal Agent shall also act as Calculation Agent.]

[insert name and address of Calculation Agent]

[Other Agents: **[insert name and address of other Agents]**]

Any Agent named above reserves the right at any time to change its respective specified office to some other specified office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Agent named above and to appoint another Fiscal Agent/Paying Agent or additional or other Agents in accordance with all applicable regulations. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after 10 days' prior notice thereof shall have been given to the Holders in accordance with § 14 (*Notices / [No] Stock Exchange Listing*).

(3) *Agents of the Issuer.* The Agents named above act solely as agent of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All determinations, calculations, quotations and decisions given, expressed, made or obtained under these Conditions by any Agent shall (in the absence of manifest error) be binding on the Issuer and all other Agents/agents and the Holders.

§ 8
TAXATION

(1) *Taxation.* All amounts payable in respect of the interest under the Notes will be made by the Issuer free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by Croatia or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

If such withholding or deduction is required by law, the Issuer will pay such additional amounts as will be necessary in order that the net amounts received by the Holders after such withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction (the "**Additional Amounts**"). However, no such Additional Amounts will be payable on account of any Taxes which are held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note.

(2) *FATCA Withholding.* The Issuer will be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the

U.S. Internal Revenue Service ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Holder, beneficial owner or other intermediary for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

§ 9 PRESENTATION PERIOD

The presentation period provided in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") in relation to the Notes is reduced to ten years.

§ 10 EVENTS OF DEFAULT

(1) *Events of default.* Each Holder shall be entitled to declare by notice its Notes due and demand immediate redemption thereof at the Final Redemption Amount (pursuant to § 6), together with accrued interest (if any) to the date of repayment, in the event that:

- (a) the Issuer fails to pay principal or interest and any Additional Amounts on the Notes within 15 days from the relevant due date, or
- (b) the Issuer fails to duly perform any other material obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 45 days after the Issuer has received notice thereof from a Holder, or
- (c) the Issuer ceases to effect payments in general or announces its inability to meet its financial obligations generally; or
- (d) a court opens insolvency proceedings against the Issuer or the Issuer applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally; or
- (e) the Issuer goes into liquidation; provided that a (partial) spin-off, a spin-off for re-establishment, a reconstruction, merger, or other form of amalgamation with another company shall not be considered a liquidation to the extent that such other company assumes all obligations which the Issuer has undertaken in connection with the Notes.

(2) *Quorum, cure.* In the events specified in § 10 (1)(b) any notice declaring the Notes due shall, unless at the time such notice is received any of the events specified § 10(1)(a),(1)(c), (1)(d) or (1) (e) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such notices from the Holders of at least 25 per cent of the aggregate principal amount of Notes then outstanding. The right to declare Notes due shall terminate if the situation giving rise to it has been remedied before the right is exercised.

(3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with the above mentioned subparagraph (1) shall be made by means of a declaration in text form (*Textform*) in the English language to the specified office of the Fiscal Agent together with proof that such Holder at the time of such notice is a Holder of the relevant Notes by means of a certificate of his Custodian (as defined in § 15(3)) or in other appropriate manner.

§ 11 SUBSTITUTION

(1) The provisions in this § 11 do not apply in any case of succession by operation of law.

Substitution. The Issuer may, irrespective of § 10, without the consent of the Holders, if no payment of principal or of interest on any of the Notes is in default, at any time substitute for the Issuer any company as principal debtor in respect of all obligations arising from or in connection with this Series of Notes (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the relevant Notes;
- (b) the Issuer and the Substitute Debtor have obtained all necessary authorisations and the Substitute Debtor may transfer to the Fiscal Agent in the currency required hereunder and without being obligated

to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

(c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;

[(d) the rating of the long-term obligations of the Substitute Debtor is the same or better as the respective rating of the Issuer (confirmed by two rating agencies, for example S&P, Moody's or other similar agencies);]

[(d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of a guarantee of the Issuer in respect of senior Notes as a contract for the benefit of the Holders as third party beneficiaries pursuant to § 328(1) BGB (German Civil Code)⁴;]

(e) there shall have been delivered to the Fiscal Agent one opinion for each of the Issuer's and the Substitute Debtor's jurisdiction of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied, provided that an opinion with regard to subparagraph (c) shall not be delivered if the Substitute Debtor has contractually committed to pay any tax, duty, assessment or governmental charge imposed on a Holder in respect of the substitution.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 14 (*Notices* / *[No] Stock Exchange Listing*).

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

[If § 11(1)(d) provides for the issuance of a guarantee:

Furthermore, in the event of such substitution the following shall apply:

(a) In § 8 and § 6(3) an alternative reference to Croatia shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor; and

(b) in § 10(1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.]

(4) In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.

(5) After a substitution pursuant to this § 11, the Substitute Debtor may, without the consent of Holders, effect a further substitution. All the provisions specified in § 11 shall apply *mutatis mutandis*. **[If § 11(1)(d) provides for the issuance of a guarantee:** In particular § 10(1)(d) shall remain applicable in relation to Raiffeisenbank Austria d.d.] References in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

§ 12

AMENDMENT OF THE CONDITIONS, HOLDERS' REPRESENTATIVE

(1) *Amendment of the Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**") the Holders may agree with the Issuer

⁴ An English language translation of § 328 (1) of the German Civil Code (*Bürgerliches Gesetzbuch*) reads as follows: "A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance".

on amendments of the Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority.* Resolutions shall be passed by a majority of not less than 75 per cent of the votes cast. Resolutions relating to amendments of the Conditions which are not material and which do not relate to the matters listed in § 5 paragraph 3, Nos. 1 to 8 of the SchVG require a simple majority of the votes cast

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 paragraph 4 sentence 2 of the SchVG.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative has convened the vote, by the Holders' Representative.

(5) *Voting Rights.* Each Holder participating in any vote shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Holders' Representative.*

[If no Holders' Representative is appointed in the Conditions: The Holders may by majority resolution appoint a common representative (the "**Holders' Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Holders' Representative is appointed in the Conditions: The common representative (the "**Holders' Representative**") shall be *[insert name and address of the Holders' Representative]*. The liability of the Holders' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence.]

The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.

[If § 11(1)(d) provides for the issuance of a guarantee: (7) *Amendment of Guarantee.*
The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to any guarantee provided in relation to the Notes pursuant to § 11(1)(d).]

§ 13

FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Repurchases.* The Issuer may at any time repurchase Notes in any market or otherwise and at any price. Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation.

§ 14

NOTICES / [NO] STOCK EXCHANGE LISTING

[If Notes are not intended to be listed, the following applies, insert:

(1) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be

deemed to have been given to the Holders on the seventh day after the day on which said notice was given to the Clearing System.]

[If Notes are intended to be listed on the regulated market of the Luxembourg Stock Exchange, the following applies, insert:

(1) *Publication.* As long as the Notes are listed on the Luxembourg Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on www.bourse.lu or such other website or other medium for the publication of notices as required in accordance with the rules and regulations of the Luxembourg Stock Exchange. The Issuer will also publish notices on its website www.rba.hr. Any such notice shall be deemed to have been validly given to the Holders on the day of such publication.

(2) *Notification to Clearing System.* If the rules of the Luxembourg Stock Exchange so permit, the Issuer may make a publication referred to in § 14(1) by giving notice to the Clearing System for communication by the Clearing System to the Holders, *in lieu* of publication as set forth in § 14(1) above; any such notice shall be deemed to have been given to the Holders on the seventh after the day on which the said notice was given to the Clearing System.]

[(2)][(3)] *Form of Notice of Holders.* Notices to be given by any Holder shall be made in text form (*Textform*) in the English language. The notice must be accompanied by proof that such notifying Holder is holder of the relevant Notes at the time of the giving of such notice. Proof may be made by means of a certificate of the Custodian (as defined in § 15(3) (*Final Provisions*)) or in any other appropriate manner. So long as Notes are securitised in the form of a Global Note, such notice may be given by the Holder to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

§ 15 FINAL PROVISIONS

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main, Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes. This is subject to any mandatory provisions of laws on jurisdiction over consumer contracts, including any right to recourse to alternative dispute resolution mechanism.

(3) *Enforcement.* Any Holder may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the Notes in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.

(4) *Language.* These Conditions are written in the English language only.

(5) *Consumer protection.* No provision in these Conditions shall prejudice any mandatory provisions of Croatian consumer protections laws and the rights Holders may have thereunder.

TERMS AND CONDITIONS FOR ELIGIBLE NOTES

Option II - Terms and Conditions for Eligible Notes

§ 1 DEFINITIONS

"**Business Day**" means any day (other than a Saturday or a Sunday) on which [the Clearing System] [*if the Specified Currency is EUR or if TARGET is needed for other reasons, insert:* [as well as] the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) ("**TARGET**") [is] [are] operational [*if the Specified Currency is not EUR or if needed for other reasons, insert:* [and] commercial banks and foreign exchange markets settle payments in [*all relevant financial centres*].

"**Clearing System**" means each of Clearstream Banking S.A., Luxembourg, ("**CBL**") and Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**") (CBL and Euroclear are each an "**ICSD**" (International Central Securities Depository) and together the "**ICSDs**").

"**Conditions**" means these Terms and Conditions of the Notes.

"**Holder**" means any holder of a co-ownership interest or other beneficial interest or right in the Notes.

[In case of Floating Rate Notes, insert:

"**Interest Determination Date**" means the [[[second] [*insert other applicable number of days*]] Business Day prior to the [commencement] [end]⁵ of the relevant Interest Period.] [first day of the relevant Interest Period.] [[●] Business Day[s] prior to [the expiry] [the Coupon Date] of the relevant Interest Period.]]

"**Screen Page**" means [REUTERS Screen Page [EURIBOR01] [*insert Screen Page and additional information if necessary*] or each successor page][●].]

"**Reference Interest Rate**" means the offered quotation for the [*number*]-month [EURIBOR] [SOFR] [*insert other reference interest rate*] which appears on the Screen Page as of [11.00 a.m.] [*insert other relevant time*] ([*insert relevant time zone*]) on the [Interest Determination Date] [*determine other day*].]

[For EURIBOR, insert:

If – other than in case of a Discontinuation Event (as defined below) – the Screen Page is not available or if no such quotation appears as at such time, the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for the Reference Interest Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations[, however at least 0.00 per cent *per annum*], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Interest Rate for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at the request of the Issuer to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the Euro-Zone[, however at least 0.00 per cent *per annum*].

⁵ In case of SOFR interest determination in arrear, the Interest Determination Date shall not be less than five U.S. Government Securities Business Days prior to the Coupon Date.

If the Reference Interest Rate cannot be determined in accordance with the foregoing provisions the Issuer will determine the Reference Interest Rate for the relevant Interest Period at its equitable discretion according to § 317 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") and also having regard to the operational requirements of the Calculation Agent. The Issuer shall notify the Calculation Agent of any determination made by it under these Conditions.

"**Reference Banks**" means the offices of not less than [four] [*insert other number*] major banks in the Euro-Zone.

Reference Interest Rate replacement in case of a Discontinuation Event. If the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the Reference Interest Rate, or (ii) the administrator of the Reference Interest Rate ceases to calculate and publish the Reference Interest Rate permanently or for an indefinite period of time, or (iii) the administrator of the Reference Interest Rate becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the Reference Interest Rate is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the Reference Interest Rate shall be replaced, on each relevant Interest Determination Date, by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Reference Interest Rate**") according to the following paragraphs in the order of I)-III):

I) The Reference Interest Rate shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the Reference Interest Rate, the competent central bank or a regulatory or supervisory authority as the successor rate for the Reference Interest Rate and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the Interest Determination Date and, subsequently the Holders of the Notes in accordance with § 14. [If, on any previous Interest Determination Date, the Successor Reference Interest Rate was also determined in accordance with the provisions of paragraph I), no [other] publication obligations will apply for the Issuer in connection with such Successor Reference Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [the] [Interest Amount] as set out below;]

II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the Reference Interest Rate, provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the Reference Interest Rate, then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply *mutatis mutandis*. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the Interest Determination Date about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the Reference Interest Rate with a Successor Reference Interest Rate in accordance with the above provisions I) or II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Reference Interest Rate, for the purpose of achieving a result which is consistent with the economic substance of the Reference Interest Rate before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the Rate of Interest and calculating the Interest Amount in order to follow market practice in relation to the Successor Reference Interest Rate (such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount). Thereafter, the Issuer shall inform the Calculation Agent at the latest 10 days prior to the Interest Determination Date and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph I) above). There will be no replacement of the Reference Interest Rate, nor any adjustment to the calculation of a Rate of Interest, nor will any other related adjustments and/or amendments to the Conditions be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to affect the MREL eligibility of the Notes.

III) If the source of the successor rate for the Reference Interest Rate determined in accordance with the above provision I) or the Successor Screen Page determined in accordance with the above provision II) is not accessible to the Calculation Agent or if the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the Interest Determination Date and to notify the Calculation Agent or in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a Successor Reference Interest Rate according to the provisions above was not sufficient, the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the "**Procedures Determination Date**"):

[a)] that the Reference Interest Rate shall be the offered quotation for the Reference Interest Rate which appeared on the Screen Page on the last day preceding the relevant Interest Determination Date on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.]; or

b) (subject to the provisions of § 6 (9)) to redeem the Notes in whole but not in part, by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and
- (iii) the [Final Redemption Amount][Early Redemption Amount].

If the Issuer elects to redeem the Notes, the Reference Interest Rate applicable from the last [Coupon Date] [Interest Payment Date] prior to the redemption date until (but excluding) the redemption date shall be the Reference Interest Rate applicable to the immediately preceding Interest Period.]

"Independent Adviser" means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

[For Compounded Daily SOFR, insert:

"SOFR" means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve's website, in each case on or about 5.00 p.m. (New York City Time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day.

If SOFR is not available or if no such quotation appears at such time and, (1) unless the Issuer has confirmed to the Calculation Agent that both a SOFR Index Cessation Event and a SOFR Index Cessation Effective Date have occurred, this SOFR in respect of the last U.S. Government Securities Business Day applies for which SOFR was published on the Screen Page; or (2) if the Issuer has confirmed to the Calculation Agent that both a SOFR Index Cessation Event and SOFR Index Cessation Effective Date have occurred, the rate (inclusive of any spreads or adjustments) that was notified to the Calculation Agent by the Issuer as being the rate that was recommended as the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator), provided that, if no such rate has been notified to the Calculation Agent by the Issuer as having been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date, then the rate for each [Interest Determination Date] [*determine other day*] occurring on or after the SOFR Index Cessation Effective Date will be determined as if (i) references to SOFR were references to OBFR, (ii) references to U.S. Government Securities Business Day were references to New York Business Day, (iii) references to SOFR Index Cessation Event were references to OBFR Index Cessation Event and (iv) references to SOFR Index Cessation Effective Date were

references to OBFR Index Cessation Effective Date; and provided further that, if no such rate has been notified to the Calculation Agent by the Issuer as having been so recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Effective Date and an OBFR Index Cessation Effective Date has occurred, then the rate for each [Interest Determination Date] [*determine other day*] occurring on or after the SOFR Index Cessation Effective Date will be determined as if (x) references to SOFR were references to FOMC Target Rate, (y) references to U.S. Government Securities Business Day were references to New York Business Day and (z) references to the Screen Page were references to the Federal Reserve's Website.

Where:

"FOMC Target Rate" means, the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's Website or, if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

"U.S. Government Securities Business Day" means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"OBFR", means, with respect to any Interest Determination Date, the daily Overnight Bank Funding Rate in respect of the New York Business Day immediately preceding such Interest Determination Date as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or a successor administrator) on the New York Fed's Website on or about 5:00 p.m. (New York time) on such Interest Determination Date.

"OBFR Index Cessation Effective Date" means, in respect of a OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used.

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the OBFR) announcing that it has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide OBFR; or
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of OBFR) has ceased or will cease to provide OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide OBFR; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of OBFR that applies to, but need not be limited to, all swap transactions, including existing swap transactions.

"SOFR Index Cessation Effective Date" means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used.

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

- (a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide a Secured Overnight Financing Rate; or
- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to

provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to provide the Secured Overnight Financing Rate; or

(c) a public statement by a U.S. regulator or U.S. other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions.]

[If Reference Swap Rate is applicable, insert:]

"**Reference Swap Rate**" is the "[*insert number of years/months*] [year][months] [*insert relevant currency*]" Swap Rate and means [*•*] / *insert definition /Screen Page*].

If the Reference Swap Rate is not displayed on the Screen Page on the Interest Adjustment Determination Date, the Reference Swap Rate is equal to the Reset Reference Bank Rate (as defined below) on that Interest Adjustment Determination Date.

"**Reset Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the basis of the [*insert number of years/months*] [year][month] Swap Rate [*insert other swap rate*] Quotations (as defined below) provided by [*five*] [*insert other number*] leading swap dealers in the interbank market (the "**Reset Reference Banks**") at the request of the Issuer to the Calculation Agent at approximately [*insert time*] (*insert time zone*)), on the Interest Adjustment Determination Date. If at least [*three*] [*insert other number*] quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reset Reference Bank Rate shall be equal to the last [*insert number of years/months*] [year][month] Swap Rate [*insert other swap rate*] available on the Screen Page as determined by the Calculation Agent.

"[*insert number of years/months*] [year][month] Swap Rate [*insert other swap rate*] **Quotation**" means the arithmetic mean of the bid and offered rates for the fixed leg (calculated on [*insert day count fraction*]) of a [*insert reference swap rate*] which (i) has a term of [*insert number of years/months*] commencing on the Interest Adjustment Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledgement dealer of good credit in the swap market and (iii) has a floating interest based on the [*insert reference interest rate*] (calculated on an [*insert day count fraction*] basis).]

[insert other definitions for Quotation]

[*Reference Swap Rate*][*insert other definition for quotation*] replacement in case of a Discontinuation Event. If the Issuer determines in its reasonable discretion (i) it becomes unlawful for the Issuer or the Calculation Agent to use the [Reference Swap Rate][*insert other definition for quotation*], or (ii) the administrator of the [Reference Swap Rate][*insert other definition for quotation*] ceases to calculate and publish the [Reference Swap Rate][*insert other definition for quotation*] permanently or for an indefinite period of time, or (iii) the administrator of the [Reference Swap Rate][*insert other definition for quotation*] becomes insolvent or an insolvency, a bankruptcy, restructuring or similar proceeding (affecting the administrator) is commenced by the administrator or its supervisory or regulatory authority, or (iv) the [Reference Swap Rate][*insert other definition for quotation*] is otherwise being discontinued or otherwise ceases to be provided (each of the events in (i) through (iv) a "**Discontinuation Event**"), the [Reference Swap Rate][*insert other definition for quotation*] shall be replaced, on [the] [each] relevant Interest Determination Date, by a rate determined or procured, as the case may be, by the Issuer (the "**Successor Quotation Rate**") according to the following paragraphs in the order of I)-III):

I) The [Reference Swap Rate][*insert other definition for quotation*] shall be replaced with the reference rate, which is determined by any applicable law or regulation or announced by the administrator of the [Reference Swap Rate][*insert other definition for quotation*], the competent central bank or a regulatory or supervisory authority as the successor rate for the [Reference Swap Rate][*insert other definition for quotation*] and the source of which is accessible to the Calculation Agent. The Issuer shall thereafter inform the Calculation Agent at the latest 10 days prior to the Interest Determination Date and, subsequently the Holders of the Notes in accordance with § 14. [If, on any previous Interest

Determination Date, the Successor Quotation Rate was also determined in accordance with the provisions of paragraph I), no [other] publication obligations will apply for the Issuer in connection with such Successor Quotation Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [Interest Amount] as set out below;]

II) An Independent Adviser will in its reasonable discretion (*billiges Ermessen*) choose a successor reference rate that is most comparable to the [Reference Swap Rate][*insert other definition for quotation*], provided that if the Independent Adviser determines that there is an industry accepted reference rate as being most comparable to the [Reference Swap Rate][*insert other definition for quotation*], then the Independent Adviser will use such reference rate as successor reference rate (the "**Successor Reference Rate**") and determine which screen page or source shall be used in connection with such Successor Reference Rate (the "**Successor Screen Page**"). Provided that such Successor Screen Page is accessible to the Calculation Agent, any reference to the Screen Page herein shall from the date of the determination of the Successor Reference Rate on be read as a reference to the Successor Screen Page and the provisions of this paragraph shall apply *mutatis mutandis*. The Independent Adviser will notify the Issuer and the Calculation Agent at the latest 10 days prior to the Interest Determination Date about such determinations. The Issuer shall thereafter inform the Holders of the Notes in accordance with § 14.

Further and in addition to any replacement of the [Reference Swap Rate][*insert other definition for quotation*] with a Successor Quotation Rate in accordance with the above provisions I) or II) the Issuer (acting in good faith and in a commercially reasonable manner) may specify (i) an interest adjustment factor or fraction or spread (to be added or subtracted) which shall be applied to the Successor Quotation Rate, for the purpose of achieving a result which is consistent with the economic substance of the [Reference Swap Rate][*insert other definition for quotation*] before the Discontinuation Event occurred, and (ii) any further changes necessary for determining the Rate of Interest and calculating the Interest Amount in order to follow market practice in relation to the Successor Quotation Rate (such as the Day Count Fraction, the Business Day Convention, Business Days, the Interest Determination Dates, the method of calculating the Interest Amount). Thereafter, the Issuer shall inform the Calculation Agent at least 10 days prior to the Interest Determination Date and, subsequently the Holders of the Notes in accordance with § 14 (other than in the case set out in paragraph I) above).

III) If the source of the successor rate for the [Reference Swap Rate][*insert other definition for quotation*] determined in accordance with the above provision I) or the Successor Screen Page determined in accordance with the above provision II) is not accessible to the Calculation Agent or if the Independent Adviser fails to determine the Successor Reference Rate at the latest 10 days prior to the Interest Determination Date and to notify the Calculation Agent or in the event that the Issuer, having used reasonable endeavours, fails to appoint an Independent Adviser or the period to determine a **Successor Quotation Rate** according to the provisions above was not sufficient, the Issuer will decide in its reasonable discretion (*billiges Ermessen*) and not less than 3 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the "**Procedures Determination Date**"):

[a)] that the [Reference Swap Rate][*insert other definition for quotation*] shall be such [Reference Swap Rate][*insert other definition for quotation*] which appeared on the Screen Page on the last day preceding the relevant Interest Determination Date on which such quotations were offered and shall thereafter inform the Holders of the Notes in accordance with § 14[.] [; or

b) (subject to the provisions of § 6 (9)) to redeem the Notes in whole but not in part, by giving not less than 20 days' notice in accordance with § 14, at the [Final Redemption Amount][Early Redemption Amount] (as defined below pursuant to § 6), together with interest (if any) accrued to (but excluding) the date fixed for such early redemption.

Such notice of redemption shall specify:

(i) the Series of Notes subject to redemption;

(ii) the date determined for redemption, which shall be the second [Coupon Date][Interest Payment Date] following the Procedures Determination Date; and

(iii) the [Final Redemption Amount] [Early Redemption Amount].

If the Issuer elects to redeem the Notes, the Reference Interest Rate applicable from the last [Coupon Date] [Interest Payment Date] prior to the redemption date until (but excluding) the redemption date shall be the Reference Interest Rate applicable to the immediately preceding Interest Period.]

"Independent Adviser" means an independent financial institution of international standing or an independent financial adviser with relevant expertise appointed by the Issuer at its own expense.]

§ 2

CURRENCY, DENOMINATION, ISSUE DATE, FORM, CUSTODY

(1) *Currency – Denomination – Issue Date.* This Series of Notes (the "**Notes**") of Raiffeisenbank Austria d.d. (the "**Issuer**") is being issued on [insert Issue Date] (the "**Issue Date**") in [insert Specified Currency] (the "**Specified Currency**") in the aggregate principal amount of [aggregate principal amount] (in words: [aggregate principal amount in words]) in the denomination of [insert Specified Denomination⁶] (the "**Specified Denomination**").

(2) *Form.*

(a) The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note insert:

(b) *Permanent Global Note.* The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons. The Permanent Global Note shall each be signed by duly authorised signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.]

[In the case of Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert:

(b) *Temporary Global Note – Exchange – Permanent Global Note.*

(i) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**" and, each a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by duly authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(ii) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 2(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States. For purposes of this subparagraph, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

⁶ Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000 at the time of the trade date of the Notes.

(3) *Custody.* The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

[In the case that the Global Note is an NGN, insert: The Notes are issued in New Global Note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of the Notes represented by the Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of a partial early redemption of the Notes, the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by the Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the records of the ICSDs.]

[In the case that the Global Note is a CGN, insert: The Notes are issued in Classical Global Note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

§ 3 STATUS

(1) *Status Eligible Notes.* The Notes shall qualify as Eligible Liabilities Instruments (as defined below).

[In the case of Ordinary Senior Eligible Notes, insert:

(2) *Ordinary Senior Eligible Notes.* The obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Issuer ranking in the event of normal insolvency proceedings (*prisilna likvidacija*) of the Issuer:

(a) junior to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full;

(b) *pari passu* (i) among themselves; and (ii) (subject to any applicable statutory exceptions and without prejudice to the aforesaid) with all other present and future unsecured and unsubordinated instruments or obligations of the Issuer which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes; and

(c) senior to all present or future obligations under (i) Non-Preferred Senior Instruments and any obligations of the Issuer that rank *pari passu* with Non-Preferred Senior Instruments; and (ii) all subordinated obligations of the Issuer.

Where:

"Issuer's Senior Ranking Obligations" means all obligations of the Issuer which pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

"Non-Preferred Senior Instruments" means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Article 32 of the Croatian Act on the Resolution of Credit Institutions and Investment Firms and any other obligations of the Issuer which, to the extent permitted by Croatian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.

"Croatian Act on the Resolution of Credit Institutions and Investment Firms" means the Act on the Resolution of Credit Institutions and Investment Firms (OG 146/2020) (*Zakon o sanaciji kreditnih institucija i investicijskih društava*), as amended or replaced from time to time and any references in these Conditions to relevant provisions of the Croatian Act on the Resolution of Credit Institutions and

Investment Firms include references to any applicable provisions of law amending or replacing such provisions from time to time.]

[In the case of Non-Preferred Senior Eligible Notes, insert:

(2) *Non-Preferred Senior Eligible Notes:* The obligations under the Notes constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking in the event of normal insolvency proceedings (*prilsilna likvidacija*) of the Issuer:

(a) junior to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full;

(b) *pari passu*: (i) among themselves; and (ii) with all other present or future Non-Preferred Senior Instruments (other than senior instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes); and

(c) senior to all present or future claims under: (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iii) Tier 2 instruments pursuant to Article 63 CRR of the Issuer; and (iv) all other subordinated instruments or obligations of the Issuer.

The Issuer and the Holder agree that the claim in respect to the Notes is a claim which in normal insolvency proceedings (*prilsilna likvidacija*) of the Issuer shall be settled in accordance with Article 32 Paragraph (2) Point 3. of the Croatian Act on the Resolution of Credit Institutions and Investment Firms.

Where:

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended or replaced from time to time (including as amended by Regulation (EU) No 2019/876 of the European Parliament and of the Council of 20 May 2019), and any references in these Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**Eligible Liabilities Instruments**" means any (directly issued) debt instruments of the Issuer that qualify as eligible liabilities instruments pursuant to Article 72b CRR and/or the Croatian Act on the Resolution of Credit Institutions and Investment Firms, as the case may be, which are included in the amount to be complied with for the minimum requirements for own funds and eligible liabilities pursuant to the Croatian Act on the Resolution of Credit Institutions and Investment Firms, including any debt instruments that qualify as eligible liabilities items pursuant to transitional provisions under the CRR and/or the Croatian Act on the Resolution of Credit Institutions and Investment Firms, as the case may be.

"**Issuer's Senior Ranking Obligations**" means all unsecured obligations of the Issuer (other than Non-Preferred Senior Instruments) which, in accordance with their terms or pursuant to mandatory provisions of law, rank or by their terms are expressed to rank senior to the obligations of the Issuer under the Notes including any present or future claims which are excluded liabilities within the meaning of Article 72a (2) of the CRR.

"**Non-Preferred Senior Instruments**" means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Article 32 of the Croatian Act on the Resolution of Credit Institutions and Investment Firms and any other obligations of the Issuer which, to the extent permitted by Croatian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.

"**Croatian Act on the Resolution of Credit Institutions and Investment Firms**" means Act on the Resolution of Credit Institutions and Investment Firms (OG 146/2020) (*Zakon o sanaciji kreditnih institucija i investicijskih društava*), as amended or replaced from time to time and any references in these Conditions to relevant provisions to the Croatian Act on the Resolution of Credit Institutions and Investment Firms include references to any applicable provisions of law amending or replacing such provisions from time to time.]

(3) *No Set-off/Netting; No Security/Guarantee; No Enhancement of Seniority.* The Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution. The Notes are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

(4) *Possibility of statutory resolution measures.* Prior to any normal insolvency proceeding (*prisilna likvidacija*) of the Issuer, under the applicable banking resolution provisions, including the Croatian Act on the Resolution of Credit Institutions and Investment Firms, and the Capital Regulations and the Applicable Law, the Resolution Authority may exercise the power to write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer or another entity, in each case in whole or in part, or apply any other resolution tool or action, including (but not limited to) any deferral or transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.

Where:

"Applicable Law" means the legislation of Croatia and the European Union as applicable in Croatia (including secondary or delegated legislation, and any regulations, decisions or rules of any public authority which are legally binding) in force, as the same may be amended or replaced from time to time.

"BRRD" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as amended or replaced from time to time (including as amended by Directive 2019/879 of the European Parliament and of the Council of 20 May 2019), or such other acts as may come into effect in place thereof and any references in these Conditions to relevant articles of the BRRD include references to any applicable provisions of law amending or replacing such articles from time to time.

"Capital Regulations" means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions of either (i) the Croatian National Bank and/or (ii) any other national or European authority, in each case then in effect in Croatia and applicable to the Issuer, including, as at the date hereof, CRR, CRD, BRRD, as well as any delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority, each as amended from time to time, or such other acts as may come into effect in place thereof and any references in these Terms and Conditions to relevant articles of the Capital Regulations include references to any applicable provisions of law amending or replacing such articles from time to time.

"CRD" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC as amended or replaced from time to time (including as amended by Directive 2019/878 of the European Parliament and of the Council of 20 May 2019), or such other acts as may come into effect in place thereof and any references in these Conditions to relevant articles of the CRD include references to any applicable provisions of law amending or replacing such articles from time to time.

"Resolution Authority" means the resolution authority pursuant to Article 4(1)(130) CRR which is responsible for recovery or resolution of the Issuer on an individual and/or consolidated basis.

§ 4
INTEREST

[In case of Fixed Rate Notes, insert:]

(1) *Rate of Interest, Interest Period[s].*

(a) The Notes shall bear interest in arrear based on their principal amount during the Interest Period[s] from (and including) *[insert interest commencement date]* (the "**Interest Commencement Date**") to (but excluding) the *[in case of no adjustment of Interest Period insert: [last] Coupon date]* *[in case of an adjustment of Interest Period insert: Maturity Date (as defined in § 6(1))]*.

[An][The] "**Interest Period**" is respectively from (and including) the Interest Commencement Date to (but excluding) the *[in case of no adjustment of Interest Period insert: [first] Coupon Date]* *[in case of an adjustment of Interest Period insert: [first] Interest Payment Date]* [Maturity Date] [and thereafter from (and including) each *[in case of no adjustment of Interest Period insert: Coupon Date]* *[in case of an adjustment of Interest Period insert: Interest Payment Date]* to (but each excluding) *[in case of no adjustment of Interest Period insert: the next following Coupon Date or last Coupon Date]* *[in case of an adjustment of Interest Period insert: next following Interest Payment Date or the Maturity Date]*.]

The Interest Period[s] will be [un]adjusted.

(b) The rate of interest is *[insert Rate of Interest]* per cent *per annum* (the "**Rate of Interest**").

(2) *Coupon Date[s], Interest Payment Date[s].* Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on *[insert Coupon Date(s)]* in each year (each such date a "**Coupon Date**") and always remain unadjusted.] [Coupon Date is on *[insert Coupon Date]* (the "**Coupon Date**") and it remains unadjusted.]

[The first Coupon Date shall be on *[insert first Coupon Date]*. The last Coupon Date shall be on *[insert last Coupon Date]*.]

Interest on the Notes shall be payable on [the] [each] Interest Payment Date.

"**Interest Payment Date**" means such Business Day, on which the interest is in fact due and payable. This may fall on a Coupon Date or may shift to the appropriated Business Day – if the Coupon Date falls on a day which is not a Business Day – based on the application of the adjustment provision as set out in § 5 (6) (*Business Day Convention*).

[In the case of short/long Interest Periods insert: [The [first] [last] Interest Period is [shortened] [extended];] [first Coupon Date is: [●]] [last Coupon Date is: [●]].]

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).]

[In case of Fixed-to-Fixed Rate Notes insert:]

(1) *Rate of Interest, Interest Periods.* The Notes shall bear interest in arrear based on their principal amount from (and including) *[insert Interest Commencement Date]* (the "**Interest Commencement Date**") for

(a) the first *[insert number if necessary]* Interest Period[s], that is from (and including) the Interest Commencement Date to (but excluding) the *[in case of no adjustment of Interest Period insert: [first] [insert another number] Coupon Date]* [, i.e. *[insert date]*,] *[in case of an adjustment of Interest Period insert: [first] [insert another number] Interest Payment Date]* [on] [in] *[insert [date] [month][year]]* with an interest rate of *[insert Rate of Interest]* per cent *per annum* (the "**Initial Interest Rate**");

[[b)] from the [●] Interest Period, that is from (and including) the [●] [Coupon Date] [Interest Payment Date] [on][in] *[insert [date][month] [year]]* (the "[●] **Interest Adjustment Date**") to (but excluding) the *[in case of no adjustment of Interest Period insert: [●] Coupon Date]* *[in case of an adjustment of Interest Period insert: [●] Interest Payment Date]* [on][in] *[insert [date][month][year]]*, the Notes shall

bear interest for each Interest Period [with an interest rate of *[insert Rate of Interest]* per cent *per annum*] [at a Rate of Interest determined by the Calculation Agent (as defined in § 7 (*Agents*)) on the Interest Adjustment Determination Date, which is equal to the Reference Swap Rate [plus][minus] [the relevant Margin]] (the "[●] **Reset Interest Rate**")];

[(b)] [thereafter,] from the [●] Interest Period, that is from (and including) the [●] [Coupon Date] [Interest Payment Date] [on][in] *[insert [date][month][year]]* (the "[●] **Interest Adjustment Date**") to (but excluding) the *[in case of no adjustment of Interest Period insert: last Coupon Date]* *[in case of an adjustment of Interest Period insert: Maturity Date]* [on][in] *[insert [date][month][year]]*, the Notes shall bear interest for each Interest Period [with an interest rate of *[insert Rate of Interest]* per cent *per annum*] [at a Rate of Interest determined by the Calculation Agent (as defined in § 7 (*Agents*)) on the Interest Adjustment Determination Date, which is equal to the Reference Swap Rate [plus][minus] [the relevant Margin]] (the "[●] **Reset Interest Rate**").

[In the case of short/long first Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Interest Period which ends with the First Coupon Date (the "**Interpolated Interest Period**"), for which the relevant swap rate will be the linear interpolation between the available swap rate with the next shorter term than the term of the Interpolated Interest Period and the available swap rate with the next longer term than the term of the Interpolated Interest Period.)]

[In the case of short/long last Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Interest Period which ends with the Last Coupon Date (the "**Interpolated Interest Period**"), for which the relevant swap rate will be the linear interpolation between the available swap rate with the next shorter term than the term of the Interpolated Interest Period and the available swap rate with the next longer term than the term of the Interpolated Interest Period.)]

["**Margin**" corresponds to a surcharge or disagio in percentage points and has been determined for the [first] [●] Interest Period as [●], [for the [●] Interest Period as [●]] *[insert further]*].

An "**Interest Period**" is respectively from (and including) the Interest Commencement Date to (but excluding) the *[in case of no adjustment of Interest Period insert: first Coupon Date]* *[in case of an adjustment of Interest Period insert: first Interest Payment Date]* and thereafter from (and including) each *[in case of no adjustment of Interest Period insert: Coupon Date]* *[in case of an adjustment of Interest Period insert: Interest Payment Date]* to (but each excluding) *[in case of no adjustment of Interest Period insert: the next following Coupon Date or last Coupon Date]* *[in case of an adjustment of Interest Period insert: next following Interest Payment Date or the Maturity Date]*.

The Interest Period[s] will be [un]adjusted.

(2) *Coupon Dates, Interest Payment Dates.* Interest shall be payable pursuant to (a) [annually] [semi-annually] [quarterly] [,][and] pursuant to (b) [annually] [semi-annually] [quarterly] [,][and] pursuant to [(●)] [annually] [semi-annually] [quarterly] in arrear.

Coupon Dates are for the Interest Periods pursuant to (a) *[insert Coupon Date[s]]* in each year [for the Interest Periods pursuant to (b) *[insert Coupon Date[s]]* in each year] [and for the Interest Periods pursuant to [(●)] *[insert Coupon Date[s]]* in each year] (each such date a "**Coupon Date**") and always remain unadjusted.

The first Coupon Date shall be on *[insert first Coupon Date]*. The last Coupon Date shall be on *[insert last Coupon Date]*.

Interest on the Notes shall be payable on each Interest Payment Date.

"**Interest Payment Date**" means such Business Day, on which the interest is in fact due and payable. This may fall on the Coupon Date or may shift to the appropriated Business Day – if the Coupon Date falls on a day which is not a Business Day – based on the application of the adjustment provision as set out in § 5 (6) (*Business Day Convention*).

[In the case of short/long Interest Period insert: [The [first] [last] Interest Period is [shortened] [extended]; [first Coupon Date is: [insert first Coupon Date] [("First Coupon Date")]] [last Coupon Date is: [insert last Coupon Date] [("Last Coupon Date")]]].]

"Interest Adjustment Determination Date" means the [second][insert number of days] Business Day prior to the [relevant] Interest Adjustment Day. Business Day means for the purpose of this paragraph any day (other than a Saturday or a Sunday) on which [the Clearing System] [if the Specified Currency is EUR or if TARGET is needed for other reasons, insert: [as well as] the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) ("TARGET")] [is][are] operational] [if the Specified Currency is not EUR or if needed for other reasons, insert: [and] commercial banks and foreign exchange markets settle payments in [all relevant financial centres]].

[In case a minimum rate of interest applies insert: (3) Minimum Rate of Interest: If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is less than [insert minimum rate of interest], the Rate of Interest for such Interest Period shall be [insert minimum rate of interest] (Floor).]

[In case a maximum rate of interest applies insert: (4) Maximum Rate of Interest. If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is greater than [insert maximum rate of interest], the Rate of Interest for such Interest Period shall be [insert maximum rate of interest] (Cap).]

[(5)] Calculation of Interest for Partial Periods. If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

[(6)] Notification of Rate of Interest. The Calculation Agent will cause [the] [each] Reset Interest Rate to be notified (i) to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than [the second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] [insert other time], and (ii) to the Holders without delay in accordance with § [14] (Notices / [No] Stock Exchange Listing) hereof.

Note to Holders: The Margin to be used for determining the Reset Interest Rate[s] is equal to the Margin over the [n-year/months] swap rate [other Reference Interest Rates] at the time of pricing implied in the Initial Interest rate.]

[In case of Floating Rate Notes, insert:

(1) Interest Period[s], Coupon Date[s], Interest Payment Date[s].

(a) The Notes shall bear interest [annually] [semi-annually] [quarterly] in arrear based on their principal amount during the Interest Period[s] from (and including) [insert Interest Commencement Date] (the "Interest Commencement Date") to (but excluding) the [in case of no adjustment of Interest Period insert: [last] Coupon Date] [in case of an adjustment of Interest Period insert: Maturity Date (as defined in § 6(1))].

[An][The] "Interest Period" is [respectively] from (and including) the Interest Commencement Date to (but excluding) the [in case of no adjustment of Interest Period insert: [first] Coupon Date] [in case of an adjustment of Interest Period insert: [first] Interest Payment Date] [Maturity Date] [and thereafter from (and including) each [in case of no adjustment of Interest Period insert: Coupon Date] [in case of an adjustment of Interest Period insert: Interest Payment Date] to (but each excluding) [in case of no adjustment of Interest Period insert: the next following Coupon Date or last Coupon Date] [in case of an adjustment of Interest Period insert: the next following Interest Payment Date or the Maturity Date]].]

The Interest Period[s] will be [un]adjusted.

(b) Coupon Date[s]. Interest shall be payable [annually] [semi-annually] [quarterly] in arrear. [Coupon Dates are [in each case] on [insert Coupon Date(s)] [in each year] (each such date a "Coupon

Date") and always remain unadjusted.] [Coupon Date is on *[insert Coupon Date]* (the "**Coupon Date**") and it remains unadjusted.]

[The first Coupon Date shall be on *[insert first Coupon Date]*. The last Coupon Date shall be on *[insert last Coupon Date]*.]

(c) *Interest Payment Date[s]*. Interest on the Notes shall be payable on [the] [each] Interest Payment Date.

"Interest Payment Date" means such Business Day, on which the interest is in fact due and payable. This may fall on the Coupon Date or may shift to the appropriated Business Day – if the Coupon Date falls on a day which is not a Business Day – based on the application of the adjustment provision as set out in § 5 (6) (*Business Day Convention*).

[In the case of short/long Interest Period insert: [The [first] [last] Interest Period is [shortened] [extended]]; [first Coupon Date is: *[insert first Coupon Date]* ("**First Coupon Date**")]] [last Coupon Date is: *[insert last Coupon Date]* ("**Last Coupon Date**")]]].

(2) *Rate of Interest*. The rate of interest (the "**Rate of Interest**") for [the][each] Interest Period will be, except as provided below,

[For EURIBOR, insert:

the Reference Interest Rate[, however, should such Reference Interest Rate be below 0.00 per cent *per annum*, a Reference Interest Rate of 0.00 per cent *per annum* will be applied,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin, insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate *per annum*.]

[For Compounded Daily SOFR, insert:

the Compounded Daily SOFR calculated on a compounded basis for the relevant Interest Period in accordance with the formula below on the Interest Determination Date (as defined below) [, whereby a Compounded Daily SOFR of 0.00 per cent *per annum* will be applied, should such Compounded Daily SOFR be below 0.00 per cent *per annum*,] **[in case of multiplication with a factor, insert:**, multiplied by the [positive][negative] Factor [and subsequently]] **[in case of a Margin insert:** [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate *per annum*.

The Compounded Daily SOFR means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Interest Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [●] decimal place, with [0.000005] [●]% being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{r_{i-\text{pBD}} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"Applicable Period" means *[if the Observation Method is lag:* the Interest Period]*[if the Observation Method is observation shift:* the Observation Period].

"BD" means a U.S. Government Securities Business Day.

"D" means *[insert the relevant number of days]* and represents the number of days in the year used for the calculation of the Rate of Interest.

"d" means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

"d₀" means, for the relevant Applicable Period, the number of U.S. Government Securities Business Days in such Applicable Period.

"**i**" means for the relevant Applicable Period, a series of whole numbers from one to "**d_o**", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in such Applicable Period.

"**n_i**" for any Business Day "**i**" in the Applicable Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "**i**" up to but excluding the following U.S. Government Securities Business Day.

"**Observation Method**" means [lag][observation shift].

"**Observation Period**" means, in respect of the relevant Interest Period, the period from, and including, the date falling "**p**" U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "**p**" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"**p**" means, for any Applicable Period, [insert number] U.S. Government Securities Business Days (provided that "**p**" shall not be less than five U.S. Government Securities Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five U.S. Government Securities Business Days).

"**r**" means in respect of any U.S. Government Securities Business Day, the SOFR in respect of such U.S. Government Securities Business Day.

"**r_(i-pBD)**" means the applicable Reference Interest Rate as set out in the definition of "**r**" above for, [where lag is specified as the Observation Method: the U.S. Government Securities Business Day (being a U.S. Government Securities Business Day falling in the relevant Observation Period) falling "**p**" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "**i**".][otherwise: the relevant U.S. Government Securities Business Day "**i**".]

[Continuation of general terms and conditions for Floating Rate Notes:

[In the case of short/long first Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Interest Period which ends with the First Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period.))

[In the case of short/long last Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Interest Period which ends with the Last Coupon Date (the "**Interpolated Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Interest Period.))

"**Factor**" means a positive or negative number and has been determined [for the [first] [●] Interest Period] as [+][-] [insert number] [insert further].]

"**Margin**" means [●] per cent *per annum*.]

[In case a minimum rate of interest applies insert: (3) Minimum Rate of Interest: If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is less than [insert minimum rate of interest], the Rate of Interest for such Interest Period shall be [insert minimum rate of interest] (Floor).]

[In case a maximum rate of interest applies insert: [(4) Maximum Rate of Interest. If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above

provisions is greater than *[insert maximum rate of interest]*, the Rate of Interest for such Interest Period shall be *[insert maximum rate of interest]* (Cap).]

[(5)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period. The relevant Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to [the outstanding aggregate principal amount of the Notes] [the Specified Denomination] and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(6)] *Notification of Rate of Interest and Interest Amount.*

[In case of interest determination in advance, insert:

The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date

(i) to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] *[insert other date]*, and

(ii) to be notified to the Holders without delay in accordance with § 14 (*Notices / [No] Stock Exchange Listing*) hereof.

Each Interest Amount and each Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange and to the Holders as soon as possible in accordance with § 14 (*Notices / [No] Stock Exchange Listing*).]

[In case of interest determination in arrear, insert:

The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date

(i) to be notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than [4 Business Days prior to the expiry of the relevant Interest Period [[the second] [●] Business Day prior to the [Coupon Date] [Interest Payment Date] of the [relevant] Interest Period], and

(ii) to be notified to the Holders without delay in accordance with § 14 (*Notices / [No] Stock Exchange Listing*) hereof.]]

[In case of Notes with Fixed to [Fixed to] Floating interest rates, insert:

(1) *Fixed Interest.*

(a) *Rate of Interest, Fixed Interest Period[s], Interest Exchange Day.* The Notes shall bear interest in arrear based on their principal amount during the Fixed Interest Period[s] from (and including) *[insert interest commencement date]* (the "**Interest Commencement Date**") to (but excluding) the *[in case of no adjustment of Fixed Interest Period insert: [first] [●] [last] Fixed Coupon Date] [, i.e. [insert date]] [in case of an adjustment of Fixed Interest Period insert: [first] [●] [last] Fixed Interest Payment Date]* (the "**Fixed Interest Rate Period**").

[A][The] "**Fixed Interest Period**" is [respectively] from (and including) the Interest Commencement Date to (but excluding) the *[in case of no adjustment of Interest Period insert: [first] [Fixed Coupon Date] [or] [Interest Exchange Day]] [in case of an adjustment of Fixed Interest Period insert: [first]*

[Fixed Interest Payment Date] [[or] [Interest Exchange Day]] [and thereafter from (and including) each [in case of no adjustment of Fixed Interest Period insert: Fixed Coupon Date] [in case of an adjustment of Fixed Interest Period insert: Fixed Interest Payment Date] to (but each excluding) [in case of no adjustment of Fixed Interest Period insert: the next following Fixed Coupon Date or Interest Exchange Day, as the case may be] [in case of an adjustment of Fixed Interest Period insert: next following Fixed Interest Payment Date or Interest Exchange Day, as the case may be]].

"Interest Exchange Day" means [the [last] Fixed Coupon Date, i.e. [insert date]] [the Fixed Interest Payment Date relating to the [last] Fixed Coupon Date [i.e. [insert [last] Fixed Coupon Date]]].

The Fixed Interest Period[s] will be [un]adjusted.

[In case of one interest rate for the entire Fixed Interest Rate Period, insert: The rate of interest for the Fixed Interest Rate Period is [insert Rate of Interest] per cent *per annum* (the **"Fixed Interest Rate"**).]

[In case of several interest rates during the Fixed Interest Rate Period, insert: The rate[s] of interest during the Fixed Interest Rate Period [is][are] for the [first] Fixed Interest Period [from the Interest Commencement Date to the [first][Fixed Coupon Date][Fixed Interest Payment Date]] [insert Rate of Interest] per cent *per annum* [,][and] [for the [n-th] Fixed Interest Period from the [insert relevant Fixed Coupon Date][insert relevant Fixed Interest Payment Date] to the [insert relevant Fixed Coupon Date][insert relevant Fixed Interest Payment Date] [insert Rate of Interest] per cent *per annum* (the relevant **"Fixed Interest Rate[s]"**).]

(b) *Fixed Coupon Date[s], Fixed Interest Payment Date[s].* Fixed interest shall be payable in arrear. [Fixed Coupon Dates are [in each case] on [insert Fixed Coupon Date(s)] [in each year] (each such date a **"Fixed Coupon Date"**) and remain always unadjusted.] [Fixed Coupon Date is on [insert Fixed Coupon Date] (the **"Fixed Coupon Date"**) and it remains unadjusted.]

[The first Fixed Coupon Date shall be on [insert first Fixed Coupon Date]. The last Fixed Coupon Date [insert last Fixed Coupon Date].]

Fixed interest on the Notes shall be payable on [each][the] Fixed Interest Payment Date.

"Fixed Interest Payment Date" means such Business Day, on which the fixed interest is in fact due and payable. This may fall on a Fixed Coupon Date or may shift to the appropriated Business Day – if the Fixed Coupon Date falls on a day which is not a Business Day – based on the application of the adjustment provision as set out in § 5 (6) (*Business Day Convention*).

[In the case of short/long Fixed Interest Period insert: [The [first] [last] Fixed Interest Period is [shortened] [extended];] [first Fixed Coupon Date is: [insert first Fixed Coupon Date]] [last Fixed Coupon Date is: [insert last Fixed Coupon Date]].]

(c) *Calculation of Fixed Interest for Partial Periods.* If fixed interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(2) *Floating Interest.*

(a) *Rate of Interest, Floating Interest Period[s], Floating Interest Payment Date[s].* The Notes shall bear interest in arrear based on their principal amount during the Floating Interest Period[s] from (and including) the Interest Exchange Day to (but excluding) the [in case of no adjustment of Floating Interest Period insert: [last] Floating Coupon Date] [in case of an adjustment of Floating Interest Period insert: Maturity Date (as defined in § 6(1))].

[A][The] **"Floating Interest Period"** is [respectively] from (and including) the Interest Exchange Day to (but excluding) the [in case of no adjustment of Floating Interest Period insert: [first] Floating Coupon Date] [in case of an adjustment of Floating Interest Period insert: [first] Floating Interest Payment Date] [Maturity Date] [and thereafter from (and including) each [in case of no adjustment of Floating Interest Period insert: Floating Coupon Date] [in case of an adjustment of Floating Interest Period insert: Floating Interest Payment Date] to (but each excluding) [in case of no adjustment of Floating Interest Period insert: the next following Floating Coupon Date or last Floating Coupon Date]

[*in case of an adjustment of Floating Interest Period insert*: the next following Floating Interest Payment Date or the Maturity Date]].

The Floating Interest Period[s] will be [un]adjusted.

(b) *Floating Coupon Date[s]*. Floating interest shall be payable [annually] [semi-annually] [quarterly] in arrear. ["**Floating Coupon Dates**" are in each case on [*insert floating coupon dates*] [in each year] (each such date a "**Floating Coupon Date**") and always remain unadjusted.]

["**Floating Coupon Date**" is the [*insert floating coupon date*] and it always remains unadjusted.]

[The first Floating Coupon Date shall be on [*insert first Floating Coupon Date*]. The last Floating Coupon Date shall be on [*insert last Floating Coupon Date*].]

(c) *Floating Interest Payment Date[s]*.

Interest on the Notes shall be payable on [each][the] Floating Interest Payment Date.

Floating Interest Payment Date means such Business Day, on which the floating interest is in fact due and payable. This may fall on the Floating Coupon Date or may shift to the appropriated Business Day – if the Floating Coupon Date falls on a day which is not a Business Day based on the application of the adjustment provision as set out in § 5 (6) (*Business Day Convention*).

[*In the case of short/long Floating Interest Periods insert*: [The [first] [last] Floating Interest Period is [shortened] [extended];] [first Floating Coupon Date is: [*insert first Floating Coupon Date*] [("**First Coupon Date**")]] [last Floating Coupon Date is: [*insert last Floating Coupon Date*] [("**Last Coupon Date**")]].]

(d) *Floating Rate of Interest*. The floating rate of interest (the "**Floating Rate of Interest**") for [the][each] Floating Interest Period will, except as provided below, be

[*For EURIBOR, insert*:

the Reference Interest Rate [, however, should such Reference Interest Rate be below 0.00 per cent *per annum*, a Reference Interest Rate of 0.00 per cent *per annum* will be applied,] [*in case of multiplication with a factor, insert*: multiplied by the [positive][negative] Factor [and subsequently]] [*in case of a Margin insert*: [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate *per annum*.]

[*For Compounded Daily SOFR, insert*:

the Compounded Daily SOFR calculated on a compounded basis for the relevant Interest Period in accordance with the formula below on the Interest Determination Date (as defined below) [, whereby a Compounded Daily SOFR of 0.00 per cent *per annum* will be applied, should such Compounded Daily SOFR be below 0.00 per cent *per annum*,] [*in case of multiplication with a factor, insert*: multiplied by the [positive][negative] Factor [and subsequently]] [*in case of a Margin insert*: [plus] [minus] the [relevant] Margin], all as determined by the Calculation Agent, expressed as a percentage rate *per annum*.

The Compounded Daily SOFR means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Interest Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the [fifth] [●] decimal place, with [0.000005] [●]% being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"**Applicable Period**" means [*if the Observation Method is lag*: the Interest Period][*if the Observation Method is observation shift*: the Observation Period].

"**BD**" means a U.S. Government Securities Business Day.

"**D**" means [*insert the relevant number of days*] and represents the number of days in the year used for the calculation of the Rate of Interest.

"**d**" means, for the relevant Applicable Period, the number of calendar days in such Applicable Period.

"**d_o**" means, for the relevant Applicable Period, the number of U.S. Government Securities Business Days in such Applicable Period.

"**i**" means for the relevant Applicable Period, a series of whole numbers from one to "**d_o**", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in such Applicable Period.

"**n_i**" for any Business Day "**i**" in the Applicable Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "**i**" up to but excluding the following U.S. Government Securities Business Day.

"**Observation Method**" means [lag][observation shift].

"**Observation Period**" means, in respect of the relevant Interest Period, the period from, and including, the date falling "**p**" U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "**p**" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable).

"**p**" means, for any Applicable Period, [*insert number*] U.S. Government Securities Business Days (provided that "**p**" shall not be less than five U.S. Government Securities Business Days without the prior written agreement of the Calculation Agent or, if no such number is specified five U.S. Government Securities Business Days).

"**r**" means in respect of any U.S. Government Securities Business Day, the SOFR in respect of such U.S. Government Securities Business Day.

"**r_(i-pBD)**" means the applicable Reference Interest Rate as set out in the definition of "**r**" above for, [*where lag is specified as the Observation Method*: the U.S. Government Securities Business Day (being a U.S. Government Securities Business Day falling in the relevant Observation Period) falling "**p**" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "**i**".][*otherwise*: the relevant U.S. Government Securities Business Day "**i**".]

[Continuation of general terms and conditions for floating rate interest of Notes with Fixed to [Fixed to] Floating interest rates:]

[In the case of short/long first Floating Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Floating Interest Period which ends with the First Floating Coupon Date (the "**Interpolated Floating Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Floating Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Floating Interest Period.))

[In the case of short/long last Floating Interest Period and if interpolation is applicable, insert:

(This shall not apply for the Floating Interest Period which ends with the Last Floating Coupon Date (the "**Interpolated Floating Interest Period**"), for which the relevant reference interest rate will be the linear interpolation between the available reference interest rate with the next shorter term than the term of the Interpolated Floating Interest Period and the available reference interest rate with the next longer term than the term of the Interpolated Floating Interest Period.))

["**Factor**"] means a positive or negative number and has been determined [for the [first] [●] Interest Period] as [+] [-] *[insert number]* *[insert further]*.]

["**Margin**"] corresponds to a surcharge or disagio in percentage points and has been determined [for the [first] [●] Interest Period] as [●] [for the [●] Interest Period] as [●] *[insert further]*.]

[In case a minimum rate of interest applies insert: (3) *Minimum Rate of Interest:* If the Floating Rate of Interest in respect of [the first] [the [●]] [any] Floating Interest Period determined in accordance with the above provisions is less than *[insert minimum rate of interest]*, the Floating Rate of Interest for such Floating Interest Period shall be *[insert minimum rate of interest]* (*Floor*).]

[In case a maximum rate of interest applies insert: [(4)] *Maximum Rate of Interest.* If the Floating Rate of Interest in respect of [the first] [the [●]] [any] Floating Interest Period determined in accordance with the above provisions is greater than *[insert maximum rate of interest]*, the Floating Rate of Interest for such Floating Interest Period shall be *[insert maximum rate of interest]* (*Cap*).]

[(5)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after [the][each] time at which the Floating Rate of Interest is to be determined, determine the Floating Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Floating Interest Period. The relevant Interest Amount shall be calculated by applying the Floating Rate of Interest and the Day Count Fraction (as defined below) to [the outstanding aggregate principal amount of the Notes] [the Specified Denomination] and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(6)] *Notification of Floating Rate of Interest and Interest Amount.*

[In case of interest determination in advance, insert:

The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date

(i) to be notified to the Issuer, the Clearing System, the Paying Agent and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the [[second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] *[insert other date]*, and

(ii) to be notified to the Holders without delay in accordance with § 14 (*Notices / [No] Stock Exchange Listing*) hereof.

Each Interest Amount and each Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange and to the Holders as soon as possible in accordance with § 14 (*Notices / [No] Stock Exchange Listing*).]

[In case of interest determination in arrear, insert:

The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date

(i) to be notified to the Issuer, the Clearing System, the Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than [4 Business Days prior to the expiry of the relevant Interest Period] [[the second] [●] Business Day prior to the [Coupon Date] [Interest Payment Date] of the [relevant] Interest Period], and

(ii) to be notified to the Holders without delay in accordance with § 14 (*Notices / [No] Stock Exchange Listing*) hereof.]]]

[Continuation of general terms and conditions for interest:]

[(7)] *Accrual of Interest and Default Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the Final Redemption Amount of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law.⁷

[(8)] *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**");

[If Actual/Actual (ICMA Rule 251) is applicable, insert:]

The Calculation Period will be calculated on the following basis:

- (a) if the Calculation Period is equal to or shorter than the Determination Period (as defined below) during which it falls (including in the case of short coupons), the Calculation Period will be the number of days in the Calculation Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
- (b) if the Calculation Period is longer than one Determination Period (long coupon), the Calculation Period will be the sum of:
 - (i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year]; and
 - (ii) the number of days in such Calculation Period falling in the next Determination Period divided by [the product of (1)] the number of days in such Determination Period [and (2) the number of Determination Periods normally ending in any year].]

Where:

"**Determination Period**" means the period from and including [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] in any year to but excluding the next [*insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)*] (**Actual/Actual (ICMA Rule 251)**).]

[If Actual/Actual (ISDA), insert:]

the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365) (**Actual/Actual (ISDA)**).]

[If Actual/365 (Fixed), insert:]

the actual number of days in the Calculation Period divided by 365. (**Actual/365 (Fixed)**).]

[If Actual/360, insert:]

the actual number of days in the Calculation Period divided by 360 (**Actual/360**).]

[If 30/360 or Bond Basis, insert:]

the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February

⁷ According to paragraphs 288(1) and 247 of the German Civil Code (Bürgerliches Gesetzbuch) ("**BGB**"), the default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank semi-annually.

in which case the month of February shall not be considered to be lengthened to a 30-day month) **(30/360 or Bond Basis)**.]

[If 30E/360 or Eurobond Basis, insert:

the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) **(30E/360 or Eurobond Basis)**.]

[If 360/360, insert:

the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months **(360/360)**.]

§ 5 PAYMENTS

(1) *Payment of Principal and Interest.* Payment of principal, interest and any Additional Amounts (as defined in § 8(1)), in respect of the Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

[In the case of Notes which are initially represented by a Temporary Global Note to be exchanged for a Permanent Global Note, insert: Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order by the Paying Agent for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 2(2)(b).]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

(3) *Payments subject to fiscal laws.* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of § 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of § 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

[In the case of Notes not denominated in Euro, insert:

If the Issuer determines that the amount payable on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day on the basis of the Applicable Exchange Rate. Holders shall not be entitled to further interest or any other payment as a result thereof. The "**Applicable Exchange Rate**" shall be, (i) if available, the Euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period (as determined by the Issuer in its equitable discretion) prior to the day on which the payment is made or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the Euro as determined by the Issuer in its equitable discretion.]

(4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day, then the payability and actual payment date depend on the Business Day

Convention as applicable according to subparagraph (5). The Holder shall not be entitled to payment until the next such day in the relevant place. Irrespective of the provisions regarding the Interest Period, the Holder shall not be entitled to further interest or other payment in respect of such delay.

["Payment Business Day" means any day (other than a Saturday or a Sunday) on which [the Clearing System] **[if the Specified Currency is EUR or if TARGET is needed for other reasons, insert:** [as well as] the Trans European Automated Real time Gross settlement Express Transfer System (TARGET2) ("**TARGET**") **][is][are]** operational**][and]** [commercial banks and foreign exchange markets settle payments in **[insert all relevant financial centres].]**

(6) *Business Day Convention.* If the date for payment of any amount in respect of any Note would fall on a day which is not a Business Day, it shall be

[if Following Business Day Convention, insert: postponed to the next day which is a Business Day.

[if Modified Following Business Day Convention, insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]

[if Preceding Business Day Convention, insert: the immediately preceding Business Day.]

[if FRN Convention, insert: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls **[[insert number] months] [insert other specified periods]** after the preceding applicable Interest Payment Date.])

§ 6 REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[in case of a specified Maturity Date insert such Maturity Date] [in case of a Redemption Month insert:** the [Floating] Interest Payment Date falling in **[insert Redemption Month and Redemption Year]]** (the "**Maturity Date**").

(2) *Final Redemption Amount.*

[If the Notes are redeemed on the Maturity Date at their principal amount insert:

The "**Final Redemption Amount**" in respect of each Note shall be equal to its principal amount.]

[If the Notes are redeemed on the Maturity Date at an amount other than the principal amount insert:

The "**Final Redemption Amount**" in respect of each Note shall be **[insert currency] [insert amount greater than or equal to the principal amount]** for each Note.]

(3) *Early Redemption for Reasons of Taxation.*

(a) Provided that the conditions provided in § 6[(9)] are met, the Notes may be declared repayable, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Fiscal Agent and, pursuant to § 14 (*Notices / [No] Stock Exchange Listing*) to the Holders, at their Early Redemption Amount (as defined below) together with interest (if any) accrued to the date fixed for redemption (but excluding) if as a result of any change in, or amendment to, the laws or regulations of Croatia or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations (including relevant court decision), which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 8(1)) on the immediately succeeding [Coupon Date][Floating] [Fixed] Interest Payment Date (as defined in § 4(2)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

(b) However, such Early Redemption may not occur (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect. ***[In case of Notes other than Fixed Rate Notes, insert:*** The date fixed for Early Redemption must be [a [Floating] Coupon Date] [Fixed Coupon Date] [[an] [a Fixed] Interest Payment Date][a Floating Interest Payment Date].]

(c) Any such notice for Early Redemption shall be given to the Fiscal Agent and pursuant to § 14 (*Notices / [No] Stock Exchange Listing*). It shall be irrevocable and must specify the date fixed for redemption and the Early Redemption Amount.

[If Notes are subject to Early Redemption at the Option of the Issuer:

[(4)] *Early Redemption at the Option of the Issuer.*

(a) The Issuer may redeem the Notes in whole or in part, upon giving not more than [60][●] [Business Days'] [days'] nor less than [30][●] [Business Days'] [days'] notice in accordance with § 6 [(6)], on the Call Redemption Date[s] at the [Call Redemption Amount[s]] set forth below together with accrued interest, if any, to (but excluding) the [respective] Call Redemption Date, provided that the conditions provided in § 6[(9)] are met.

(b) ["Call Redemption Date[s]"] [is] [are] *[insert Call Redemption Date[s]]*

(c) ["Call Redemption Amount[s]"] [is] [are] *[insert Call Redemption Amount[s]]* [for the following Call Redemption Date[s] *[insert Call Redemption Date[s]]*].

Such a redemption has to be made [at least] [at most] in the amount of [●] per cent of the principal amount of the Notes.

(d) ***[In case of a minimum Call Redemption Amount or an increased Call Redemption Amount insert:*** The Notes have to be redeemed at [their principal amount] [an amount which is at least equal to *[insert minimum Call Redemption Amount][insert increased Call Redemption Amount]*] per Note.]

[(5)] *Early Redemption for Regulatory Reasons.*

If there is a change in the regulatory classification of the Notes that would be likely to result or has resulted in their exclusion in full or in part from liabilities eligible for the minimum requirement for own funds and eligible liabilities (MREL) of the Issuer pursuant to the Croatian Act on the Resolution of Credit Institutions and Investment Firms on an unlimited and uncapped basis, the Issuer may, upon giving not more than [60][●][Business Days'] [days'] nor less than [30][●][Business Days'] [days'] prior notice in accordance with § 6[(6)], at any time redeem the Notes in whole, but not in part, at the Early Redemption Amount, together with interest (if any) accrued to but excluding the date fixed for early redemption of the Notes on the date fixed for early redemption in the notice, provided that the conditions provided in § 6[(9)] are met.

[(6)] *Notice of Early Redemption.*

Any notice of Early Redemption of the Notes shall be given by the Issuer to the Fiscal Agent and pursuant to § 14 (*Notices / [No] Stock Exchange Listing*) to the Holders and shall specify:

- (i) the Series of Notes that is to be redeemed;
- (ii) a statement as to whether the Series is redeemed in whole or in part and in the latter case the aggregate principal amount of the Notes to be redeemed;
- (iii) the date fixed for early redemption of the Notes; and
- (iv) the Early Redemption Amount *[in case of an Early Redemption pursuant to § 6[(4)] (Early Redemption at the Option of the Issuer), insert:* and the Call Redemption Amount] at which the Notes are redeemed.

[(7)] *No early Redemption at the Option of the Holder.* The Holders do not have a right to demand an early redemption of the Notes.

[(8)] *Early Redemption Amount.*

For the purpose of [§ 1 (*Definitions*) and] § 6(3) (*Early Redemption for Reasons of Taxation*) and § 6[(5)] (*Early Redemption for Regulatory Reasons*) the Early Redemption Amount of a Note is equal to [the Final Redemption Amount][*insert other amount/rate*].

[(9)] *Conditions for Early Redemption and Repurchase.* Any early redemption pursuant to this § 6 and any repurchase pursuant to § 13(2) is subject to the Issuer having obtained the prior permission of the Resolution Authority (or any other relevant supervisory authority) for the Early Redemption or any repurchase pursuant to § 13(2) in accordance with the Articles 77 and 78a CRR, in each case if and to the extent such prior permission is required at this time and either of the following conditions is met:

(i) before or at the same time as such redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Resolution Authority, that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements for own funds and eligible liabilities provided in CRR, CRD and BRRD by a margin that the Resolution Authority, acting in agreement with the competent authority, may consider necessary; or

(iii) the Issuer has demonstrated to the satisfaction of the Resolution Authority, that the partial or full replacement of the Notes with own funds instruments is necessary to ensure compliance with own fund requirements provided in CRR and CRD for continuing authorisation.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing supervisory regulations applicable to the Issuer permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply, instead or in addition (as applicable) with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of any Resolution Authority (or any other relevant supervisory authority) to grant any required permission, approval or other consent shall not constitute a default for any purpose.

§ 7 AGENTS

(1) *Appointment; Specified Offices.* The initial agents (the "**Agents**") and their respective specified offices are:

"Fiscal Agent" and "Paying Agent":

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

[*other/further Fiscal/Paying Agent(s)/specified office(s)*]

["Calculation Agent":

[The Fiscal Agent shall also act as Calculation Agent.]

[*insert name and address of Calculation Agent*]]

[Other Agents: [*insert name and address of other Agents*]]

Any Agent named above reserves the right at any time to change its respective specified office to some other specified office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Agent named above and to appoint another Fiscal Agent/Paying Agent or additional or other Agents in accordance with all applicable regulations. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after 10 days' prior notice thereof shall have been given to the Holders in accordance with § 14 (*Notices / [No] Stock Exchange Listing*).

(3) *Agents of the Issuer.* The Agents named above act solely as agent of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All determinations, calculations, quotations and decisions given, expressed, made or obtained under these Conditions by any Agent shall (in the absence of manifest error) be binding on the Issuer and all other Agents/agents and the Holders.

§ 8

TAXATION

(1) *Taxation.* All amounts payable in respect of the interest under the Notes will be made by the Issuer free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by Croatia or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

If such withholding or deduction is required by law, the Issuer will pay such additional amounts as will be necessary in order that the net amounts received by the Holders after such withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction (the "**Additional Amounts**"). However, no such Additional Amounts will be payable on account of any Taxes which are held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note.

(2) *FATCA Withholding.* The Issuer will be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Holder, beneficial owner or other intermediary for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

§ 9

PRESENTATION PERIOD

The presentation period provided in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) ("**BGB**") in relation to the Notes is reduced to ten years.

§ 10

EVENTS OF DEFAULT

No Holder shall have the right to accelerate the future scheduled payment of interest or principal under the Notes, other than in the compulsory liquidation (*prisilna likvidacija*) of the Issuer.

To the maximum permitted by applicable laws, no Holder shall have the right to accelerate the future scheduled payment of interest or principal under the Notes in case an early intervention (*rana intervencija*) measure, a resolution (*sanacija*) measure, a moratorium or any other action or measure that may be taken against the Issuer pursuant to the Credit Institutions Act and the Act on the Resolution of Credit Institutions and Investment Firms.

§ 11 SUBSTITUTION

This paragraph is not applicable.

§ 12 AMENDMENT OF THE CONDITIONS, HOLDERS' REPRESENTATIVE

(1) *Amendment of the Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*) the Holders may agree with the Issuer on amendments of the Conditions, subject to the consent by the Resolution Authority (or any other relevant supervisory authority), if and to the extent required, with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously. There will be no amendment of the Conditions without the Issuer's consent.

(2) *Majority.* Resolutions shall be passed by a majority of not less than 75 per cent of the votes cast. Resolutions relating to amendments of the Conditions which are not material and which do not relate to the matters listed in § 5 paragraph (3), Nos. 1 to 8 of the SchVG require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 paragraph 4 sentence 2 of the SchVG.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative has convened the vote, by the Holders' Representative.

(5) *Voting Rights.* Each Holder participating in any vote shall cast votes in accordance with the principal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Holders' Representative.*

[If no Holders' Representative is appointed in the Conditions: The Holders may by majority resolution appoint a common representative (the "**Holders' Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Holders' Representative is appointed in the Conditions: The common representative (the "**Holders' Representative**") shall be *[insert name and address of the Holders' Representative]*. The liability of the Holders' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence.]

The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.

§ 13 FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Repurchases.* Provided that the conditions provided in § 6[(9)] are met, the Issuer may at any time repurchase Notes in any market or otherwise and at any price. Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation.

§ 14
NOTICES / [NO] STOCK EXCHANGE LISTING

[If Notes are not intended to be listed, the following applies, insert:

(1) *Notification to Clearing System.* The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which said notice was given to the Clearing System.]

[If Notes are intended to be listed on the regulated market of the Luxembourg Stock Exchange, the following applies, insert:

(1) *Publication.* As long as the Notes are listed on the Luxembourg Stock Exchange, notices concerning the Notes will be published on the website of the Luxembourg Stock Exchange on www.bourse.lu or such other website or other medium for the publication of notices as required in accordance with the rules and regulations of the Luxembourg Stock Exchange. The Issuer will also publish notices on its website www.rba.hr. Any such notice shall be deemed to have been validly given to the Holders on the day of such publication.

(2) *Notification to Clearing System.* If the rules of the Luxembourg Stock Exchange so permit, the Issuer may make a publication referred to in § 14(1) by giving notice to the Clearing System for communication by the Clearing System to the Holders, *in lieu* of publication as set forth in § 14(1) above; any such notice shall be deemed to have been given to the Holders on the seventh after the day on which the said notice was given to the Clearing System.]

[(2)][(3)] *Form of Notice of Holders.* Notices to be given by any Holder shall be made in text form (*Textform*) in the English language. The notice must be accompanied by proof that such notifying Holder is holder of the relevant Notes at the time of the giving of such notice. Proof may be made by means of a certificate of the Custodian (as defined in § 15(3) (*Final Provisions*)) or in any other appropriate manner. So long as Notes are securitised in the form of a Global Note, such notice may be given by the Holder to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

§ 15
FINAL PROVISIONS

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law, except that the status provisions in § 3 (*Status*) shall be governed by, and shall be construed exclusively in accordance with, Croatian law.

(2) *Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main, Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes. This is subject to any mandatory provisions of laws on jurisdiction over consumer contracts, including any right to recourse to alternative dispute resolution mechanism.

(3) *Enforcement.* Any Holder may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the Notes in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.

- (4) *Language.* These Conditions are written in the English language only.
- (5) *Consumer protection.* No provision in these Conditions shall prejudice any mandatory provisions of Croatian consumer protections laws and the rights Holders may have thereunder.

FORM OF FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; or (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][●]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][●]

[MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in

Directive 2014/65/EU (as amended, "**MiFID II**"); **EITHER**⁸ [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR**⁹ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, and] portfolio management[, and] [non-advised sales] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]] [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]¹⁰ [●]

[**UNITED KINGDOM ("UK") MiFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of article 2 of Regulation (EU) No 2017/565 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the UK Financial Conduct Authority ("**FCA**") Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the EUWA ("**UK MiFIR**"); **EITHER**¹¹ [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]]¹² **OR**¹³ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, and] portfolio management[, and] [non-advised sales] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]] [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]¹⁴ [●]

⁸ Include for Notes that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the "**ESMA Guidelines**").

⁹ Include for Notes that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Notes constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under article 25(3) of MiFID II.

¹⁰ If there are advised sales, a determination of suitability will be necessary.

¹¹ Include for Notes that are not ESMA complex (in the UK context, as reflected in COBS).

¹² This list may not be necessary, especially for Notes that are not ESMA complex (in the UK context, as reflected in COBS) where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

¹³ Include for certain ESMA complex Notes (in the UK context, as reflected in COBS). This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness.

¹⁴ If the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness. If there are advised sales, a determination of suitability will be necessary.

FINAL TERMS

[Title of relevant Series of Notes]¹⁵ (the "Notes")

[(to be consolidated, form a single series with and increase the aggregate principal amount of the [Title of relevant Series of Notes] issued on [●][and increased on [●]] with the ISIN [●]]¹⁶

Series: [●], Tranche [●]

[ISIN [...]]¹⁷

[Interim ISIN [●]]

[Permanent] ISIN [●]

issued pursuant to the
EUR 500,000,000 Euro Medium Term Note Programme
for the issue of Notes dated 16 July 2021 of
Raiffeisenbank Austria d.d.

Legal Entity Identifier: 529900I1UZV70CZRAU55

[Issue Price]: [●] per cent

[Issue Date]: [●]

[These Final Terms have been prepared for the purpose of Article 8(5) in connection with Article 25(4) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and must be read in conjunction with the prospectus dated 16 July 2021 [and the supplement(s) dated [●]] (the "**Prospectus**") (including the documents incorporated into the Prospectus by reference), pertaining to the "Euro 500,000,000 Euro Medium Term Note Programme of Raiffeisenbank Austria d.d." (the "**Programme**"). Full information about Raiffeisenbank Austria d.d. and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus (and any supplement thereto) is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu), on the website of the Issuer (www.rba.hr) and copies may be obtained from Raiffeisenbank Austria d.d., Magazinska cesta 69, 10000 Zagreb, Croatia. Investors shall be aware that a supplement to the Prospectus may be published. Such a supplement will be published in electronic form on the Issuer's website (www.rba.hr).]

¹⁵ "Notes" in the Final Terms shall have the meaning of "Ordinary Senior Notes" or "Eligible Notes".

¹⁶ Include only in the case of fungible tranches.

¹⁷ Include in case of first tranche.

PART I.: CONDITIONS
TEIL I.: BEDINGUNGEN

[A. In the case the options applicable to the relevant Tranche of Notes are to be determined by replicating the relevant provisions set forth in this Prospectus as Option I or Option II including certain further options contained therein, respectively, and completing the relevant placeholders, insert:

The Conditions applicable to the Notes (the "**Conditions**") are as set out below.

[in case of Ordinary Senior Notes replicate here relevant provisions of Option I including relevant further options contained therein, and complete relevant placeholders]

[in case of Eligible Notes replicate here relevant provisions of Option II including relevant further options contained therein, and complete relevant placeholders]]

[B. In the case the options applicable to the relevant Tranche of Notes are to be determined by referring to the relevant provisions set forth in this Prospectus as Option I or Option II including certain further options contained therein, respectively, insert:

This Part I. of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to [Ordinary Senior Notes][[Ordinary Senior][Non-Preferred Senior] Eligible Notes] (the "**Terms and Conditions**") set forth in this Prospectus as [Option I][Option II]. Capitalised terms not otherwise defined herein shall have the meanings specified in the set of Terms and Conditions.

All references in this part of the Final Terms to numbered Articles and subparagraphs are to Articles and subparagraphs of the Terms and Conditions.

All provisions in the Terms and Conditions corresponding to items in the Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions applicable to the Notes (the "**Conditions**").]

DEFINITIONS (§ 1) ¹⁸		
	Business Day	
	<input type="checkbox"/>	Clearing System
	<input type="checkbox"/>	TARGET
	<input type="checkbox"/>	[insert relevant financial centres]
<input type="checkbox"/>	Interest Determination Date ¹⁹	means the [[second] <i>[insert other applicable number of days]</i>] Business Day prior to the [commencement] [end] ²⁰ of the relevant Interest Period.] [first day of the relevant Interest Period.] [[•] Business Day[s] prior to [the expiry] [the Coupon Date] of the relevant Interest Period.]
<input type="checkbox"/>	Reference Interest Rate ²¹	means the offered quotation for the [number]-month [EURIBOR] [SOFR] which appears on the Screen Page as of [11.00 a.m.] <i>[insert other relevant time]</i> (<i>[insert relevant time zone]</i>) on the [Interest Determination Date] <i>[determine other day]</i> .
<input type="checkbox"/>	Screen Page ²²	means [REUTERS Screen Page [EURIBOR01] <i>[insert Screen Page and additional information if necessary]</i> or each successor page]
<input type="checkbox"/>	EURIBOR	
	EURIBOR floor at 0.00 per cent <i>per annum</i>	[Applicable][Not Applicable]
	Reference Banks	[four] <i>[insert other number]</i>
	<input type="checkbox"/>	If, on any previous Interest Determination Date, the Successor Reference Interest Rate was also determined in accordance with the provisions of paragraph I), no [other] publication obligations will apply for the Issuer in connection with such Successor Reference Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [the] [Interest Amount] as set out below
	<input type="checkbox"/>	Early Redemption applicable at the Final Redemption Amount
	<input type="checkbox"/>	Early Redemption applicable at the Early Redemption Amount
	Redemption Date	Second [Coupon Date][Interest Payment Date]
<input type="checkbox"/>	SOFR	

¹⁸ If not applicable, the following items may be deleted.

¹⁹ To be completed in case of Floating Rate Notes.

²⁰ In case of SOFR interest determination in arrear, the Interest Determination Date shall not be less than five U.S. Government Securities Business Days prior to the Coupon Date.

²¹ To be completed in case of Floating Rate Notes.

²² To be completed in case of Floating Rate Notes or if Reference Interest Rate or Reference Swap Rate is applicable.

<input type="checkbox"/>	Reference Swap Rate	
	Reference Swap Rate	[" <i>[insert number of years/months]</i> [year][months] <i>[insert relevant currency]</i> "] Swap Rate and means [<i>●</i>] / <i>insert definition /Screen Page</i>
	Reset Reference Bank Rate	<i>[insert number of years/months]</i> [year][month] Swap Rate <i>[insert other swap rate]</i> Quotations provided by [five] <i>[insert other number]</i> leading swap dealers in the interbank market at the request of the Issuer to the Calculation Agent at approximately <i>[insert time]</i> (<i>[insert time zone]</i>)
	Redemption Date	Second [Coupon Date][Interest Payment Date]
	Required number of quotations	[three] <i>[insert other number]</i>
	Fallback in case required number of quotations is not received	Reset Reference Bank Rate shall be equal to the last [<i>[insert number of years/months]</i> [year][month] Swap Rate] <i>[insert other swap rate]</i>
	<i>[insert number of years/months]</i> [year][month] Swap Rate] <i>[insert other swap rate]</i> Quotation	[means the arithmetic mean of the bid and offered rates for the fixed leg (calculated on <i>[insert day count fraction]</i>) of a <i>[insert reference swap rate]</i> which (i) has a term of <i>[insert number of years/months]</i> commencing on the Interest Adjustment Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledgement dealer of good credit in the swap market and (iii) has a floating interest based on the <i>[insert reference interest rate]</i> (calculated on an <i>[insert day count fraction]</i> basis).] <i>[insert other definitions for Quotation]</i>
	<input type="checkbox"/>	If, on any previous Interest Determination Date, the Successor Reference Interest Rate was also determined in accordance with the provisions of paragraph I), no [other] publication obligations will apply for the Issuer in connection with such Successor Reference Rate or any adjustments or changes made in relation thereto or relating to the determination of the [Rate of Interest] [or] [the] [Interest Amount] as set out below
CURRENCY, DENOMINATION, ISSUE DATE(S), FORM, CUSTODY (§ 2)		
	Currency – Denomination – Issue Date	
	Issue Date	[<i>●</i>]
	Specified Currency	[<i>●</i>]
	Aggregate Principal Amount	[<i>●</i>]
	Aggregate Principal Amount in Words	[<i>●</i>]

	Specified Denomination ²³	[●]
Form		
<input type="checkbox"/>	Permanent Global Note	
<input type="checkbox"/>	Temporary Global Note exchangeable for Permanent Global Note	
<input type="checkbox"/>	New Global Note (NGN)	
<input type="checkbox"/>	Classical Global Note (CGN)	
STATUS (§ 3)²⁴		
<input type="checkbox"/>	Ordinary Senior Eligible Notes	
<input type="checkbox"/>	Non-Preferred Senior Eligible Notes	
INTEREST (§ 4)		
<input type="checkbox"/>	Fixed Rate Notes²⁵	
Rate of Interest; Interest Period[s]		
	Interest Commencement Date	[●]
	Adjustment of Interest Periods	[Yes][No]
	Rate of Interest	[●] per cent <i>per annum</i>
Coupon Date[s], Interest Payment Date[s]		
	Frequency of interest payments	[annually] [semi-annually] [quarterly]
	Coupon Date(s)	<i>[insert Coupon Dates]</i>
	[First Coupon Date]	<i>[insert First Coupon Date]</i>
	[Last Coupon Date]	<i>[insert Last Coupon Date]</i>
	Short/Long Interest Periods	<i>[specify]</i> [Not Applicable]
<input type="checkbox"/>	Fixed-to-Fixed Rate Notes²⁶	
Rate of Interest; Interest Periods		
	Interest Commencement Date	[●]
Initial Interest Rate		
	Number of Interest Periods	<i>[insert number]</i>

²³ Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000 at the time of the trade date of the Notes.

²⁴ To be completed in case of Eligible Notes.

²⁵ If not applicable, the following items may be deleted.

²⁶ To be completed in case of Eligible Notes. If not applicable, the following items may be deleted.

		Last [Coupon] [Interest Payment] Date of last Interest Period with first Interest Rate	[<i>insert date</i>]
		Initial Interest Rate	[●] per cent per annum
		Frequency of interest payments	[annually] [semi-annually] [quarterly]
<input type="checkbox"/>	[●] Reset Interest Rate		
		First [Coupon] [Interest Payment] Date of reset Interest Period with reset Interest Rate	[<i>insert date</i>]
		Last [Coupon] [Interest Payment] Date of last Interest Period with first Interest Rate	[<i>insert date</i>]
		[●] Reset Interest Rate	
	<input type="checkbox"/>	[●] percentage points	
	<input type="checkbox"/>	Reference Swap Rate [plus][minus] Margin	[<i>specify margin</i>]
	<input type="checkbox"/>	plus	[●] percentage points
	<input type="checkbox"/>	minus	[●] percentage points
		Frequency of interest payments	[annually] [semi-annually] [quarterly]
<input type="checkbox"/>	[●] Reset Interest Rate		
		First [Coupon] [Interest Payment] Date of reset Interest Period with reset Interest Rate	[<i>insert date</i>]
		Last [Coupon] [Maturity] Date of last Interest Period with first Interest Rate	[<i>insert date</i>]
		[●] Reset Interest Rate	
	<input type="checkbox"/>	[●] percentage points	
	<input type="checkbox"/>	Reference Swap Rate [plus][minus] Margin	[<i>specify margin</i>]
	<input type="checkbox"/>	plus	[●] percentage points
	<input type="checkbox"/>	minus	[●] percentage points
		Frequency of interest payments	[annually] [semi-annually] [quarterly]
		Short/Long Interest Periods	[<i>specify</i>]
		Adjustment of Interest Periods	[Yes][No]
		Interest Adjustment Determination Date	means the [second][<i>insert number of days</i>] Business Day prior to the [relevant] Interest Adjustment Day. Business Day means for the purpose of this paragraph any day (other than a Saturday or a Sunday) on which [the Clearing

			System] <i>[if the Specified Currency is EUR or if TARGET is needed for other reasons, insert:</i> [as well as] the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) ("TARGET") [is][are] operational] <i>[if the Specified Currency is not EUR or if needed for other reasons, insert:</i> [and] commercial banks and foreign exchange markets settle payments in <i>[all relevant financial centres]]</i>
		Minimum/Maximum Rate of Interest	
		<input type="checkbox"/>	If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is less than [insert minimum rate of interest], the Rate of Interest for such Interest Period shall be [insert minimum rate of interest] (Floor).
		<input type="checkbox"/>	If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is greater than [insert maximum rate of interest], the Rate of Interest for such Interest Period shall be [insert maximum rate of interest] (Cap).
		Notification of Rate of Interest and Interest Amount	
		Date of notification	[[second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] <i>[insert other date]</i>
<input type="checkbox"/>		Floating Rate Notes²⁷	
		Interest Period[s], Coupon Date[s], Interest Payment Date[s]	
		Interest Commencement Date	[●]
		Adjustment of Interest Periods	[Yes][No]
		Coupon Date[s], Interest Payment Date[s]	
		Frequency of interest payments	[annually] [semi-annually] [quarterly]
		Coupon Date(s)	<i>[insert Coupon Dates]</i>
		[First Coupon Date]	<i>[insert First Coupon Date]</i>
		[Last Coupon Date]	<i>[insert Last Coupon Date]</i>
		Short/Long Interest Periods	<i>[specify]</i> [Not Applicable]

²⁷ If not applicable, the following items may be deleted.

	Rate of Interest		
	<input type="checkbox"/>	EURIBOR	
	<input type="checkbox"/>	Multiplication with a factor	[positive][negative] Factor [and subsequently]
	<input type="checkbox"/>	Plus Margin	[●] percentage points
	<input type="checkbox"/>	Minus Margin	[●] percentage points
	<input type="checkbox"/>	Compounded Daily SOFR	
		SOFR floor at 0.00 per cent <i>per annum</i>	[Applicable][Not Applicable]
	<input type="checkbox"/>	Multiplication with a factor	[positive][negative] Factor [and subsequently]
	<input type="checkbox"/>	Plus Margin	[●] percentage points
	<input type="checkbox"/>	Minus Margin	[●] percentage points
		Rounding (for calculation of the Compounded Daily Overnight Reference Rate)	[fifth] [●] decimal place with [0.000005] [●] % being rounded upwards
		Observation Method	[Lag][Observation Shift]
		"D", the number of days in the year used for the calculation of the Rate of Interest	[insert the relevant number of days]
		"p"	[insert number, not less than 5] U.S. Government Securities Business Day[s]
	<input type="checkbox"/>	Interpolation	[Applicable] [Not Applicable]
	<input type="checkbox"/>	Factor	means a positive or negative number and has been determined [for the [first] [●] Interest Period] as [+][-] [insert number] [insert further]
	<input type="checkbox"/>	Margin	[●] per cent <i>per annum</i>
	Minimum/Maximum Rate of Interest		
	<input type="checkbox"/>	If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is less than [insert minimum rate of interest], the Rate of Interest for such Interest Period shall be [insert minimum rate of interest] (<i>Floor</i>).	
	<input type="checkbox"/>	If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is greater than [insert maximum rate of interest], the Rate of Interest for such Interest Period shall be [insert maximum rate of interest] (<i>Cap</i>).	
	Interest Amount		
	<input type="checkbox"/>	Outstanding aggregate principal amount	
	<input type="checkbox"/>	Specified denomination ²⁸	

²⁸ Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000 at the time of the trade date of the Notes.

		Notification of Rate of Interest and Interest Amount	
	<input type="checkbox"/>	Interest determination in advance	
		Date of notification	[[second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] <i>[insert other date]</i>
	<input type="checkbox"/>	Interest determination in arrear	
		Date of notification	[no later than 4 Business Days prior to the expiry of the relevant Interest Period [[the second] [●] Business Day prior to the [Coupon Date] [Interest Payment Date] of the [relevant] Interest Period]
<input type="checkbox"/>		Fixed to [Fixed to] Floating Rate Notes²⁹	
		Fixed Interest	
(1) a)		Fixed Rate[s] of Interest	[●] per cent <i>per annum</i> <i>[If applicable, insert Fixed Rate(s) of Interest for each Interest Period]</i>
		Interest Commencement Date	[●]
		Interest Exchange Day	means [the [last] Fixed Coupon Date, i.e. <i>[insert date]</i>] [the Fixed Interest Payment Date relating to the [last] Fixed Coupon Date [i.e. <i>[insert [last] Fixed Coupon Date]</i>]].
		Fixed Coupon Date(s)	[●]
(1) b)		[First] Fixed Coupon Date	[●]
		[Last Fixed Coupon Date]	[●]
		[First] [last] short/long Floating Interest Period	[Not Applicable] []
		Adjustment of Interest Periods	[Yes][No]
(2)		Floating Interest	
a)		Interest	
		Adjustment of Floating Interest Periods	[Yes][No]
b)		Frequency of interest payments	[annually] [semi-annually] [quarterly]
		[First] Floating Coupon Date	[]
		[Last Floating Coupon Date]	[]
c)		[First] [last] short/long Floating Interest Period	[Not Applicable] []

²⁹ To be completed in case of Eligible Notes. If not applicable, the following items may be deleted.

<input type="checkbox"/>	Interpolation	[Applicable] [Not Applicable]
<input type="checkbox"/>	Reference Interest Rate	
	[Reference Interest Rate at least 0.00 per cent <i>per annum</i>	Yes]
<input type="checkbox"/>	Factor	[for the [first] [●] Interest Period] as [+] [-] [insert number] [insert further]
<input type="checkbox"/>	Margin	[for the [first] [●] Interest Period] as [●] [for the [●] Interest Period] as [●] [<i>insert further</i>]
Floating Interest		
<input type="checkbox"/>	EURIBOR	
<input type="checkbox"/>	Multiplication with a factor	[positive][negative] Factor [and subsequently]
<input type="checkbox"/>	Plus Margin	[●] percentage points
<input type="checkbox"/>	Minus Margin	[●] percentage points
<input type="checkbox"/>	Compounded Daily SOFR	
	SOFR floor at 0.00 per cent <i>per annum</i>	[Applicable][Not Applicable]
<input type="checkbox"/>	Multiplication with a factor	[positive][negative] Factor [and subsequently]
<input type="checkbox"/>	Plus Margin	[●] percentage points
<input type="checkbox"/>	Minus Margin	[●] percentage points
	Rounding (for calculation of the Compounded Daily Overnight Reference Rate)	[fifth] [●] decimal place with [0.000005] [●] % being rounded upwards
	Observation Method	[Lag][Observation Shift]
	"D", the number of days in the year used for the calculation of the Rate of Interest	[<i>insert the relevant number of days</i>]
	"p"	[<i>insert number, not less than 5</i>] U.S. Government Securities Business Day[s]
<input type="checkbox"/>	Interpolation	[Applicable] [Not Applicable]
<input type="checkbox"/>	Factor	means a positive or negative number and has been determined [for the [first] [●] Interest Period] as [+] [-] [<i>insert number</i>] [<i>insert further</i>]
<input type="checkbox"/>	Margin	[●] per cent <i>per annum</i>
Minimum/Maximum Rate of Interest		
<input type="checkbox"/>	If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is less than [<i>insert minimum rate of interest</i>], the Rate of Interest for such Interest Period shall be [<i>insert minimum rate of interest</i>] (<i>Floor</i>).	
<input type="checkbox"/>	If the Rate of Interest in respect of [the first] [the [●]] [any] Interest Period determined in accordance with the above provisions is greater than [<i>insert maximum rate of</i>	

			<i>interest</i>], the Rate of Interest for such Interest Period shall be [<i>insert maximum rate of interest</i>] (<i>Cap</i>).
		Interest Amount	
	<input type="checkbox"/>	Outstanding aggregate principal amount	
	<input type="checkbox"/>	Specified denomination ³⁰	
		Notification of Rate of Interest and Interest Amount	
	<input type="checkbox"/>	Interest determination in advance	
		Date of notification	[[second] [●] Business Day prior to the commencement of the relevant Interest Period] [first day of the relevant Interest Period] [<i>insert other date</i>]
	<input type="checkbox"/>	Interest determination in arrear	
		Date of notification	[no later than 4 Business Days prior to the expiry of the relevant Interest Period [[the second] [●] Business Day prior to the [Coupon Date] [Interest Payment Date] of the [relevant] Interest Period]
		Day Count Fraction	
	<input type="checkbox"/>	Actual/Actual (ICMA Rule 251)	
		Determination Period means the period from and including [<i>insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)</i>] in any year to but excluding the next [<i>insert day(s) and month(s) on which interest is normally paid (if more than one, then such dates in the alternative)</i>]	
	<input type="checkbox"/>	Actual/Actual (ISDA)	
	<input type="checkbox"/>	Actual/365 (Fixed)	
	<input type="checkbox"/>	Actual/360	
	<input type="checkbox"/>	30/360 (Bond Basis)	
	<input type="checkbox"/>	30E/360 (Eurobond Basis)	
	<input type="checkbox"/>	360/360	
PAYMENTS (§ 5)			
		Payment Business Day	
	<input type="checkbox"/>	Clearing System	
	<input type="checkbox"/>	TARGET	
	<input type="checkbox"/>	[<i>insert relevant financial centres</i>]	

³⁰ Minimum denomination of the Notes will be EUR 100,000 or, if in any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 100,000 at the time of the trade date of the Notes.

		Business Day Convention	
	<input type="checkbox"/>	Following Business Day Convention	
	<input type="checkbox"/>	Modified Following Business Day Convention	
	<input type="checkbox"/>	Preceding Business Day Convention	
	<input type="checkbox"/>	FRN Convention (specify period(s))	<input type="checkbox"/> [months/other – specify]
REDEMPTION (§ 6)			
		Redemption at Maturity	
	<input type="checkbox"/>	Maturity Date	[●]
	<input type="checkbox"/>	Redemption Month and Redemption Year	[●]
		Final Redemption Amount	
	<input type="checkbox"/>	Principal Amount	
	<input type="checkbox"/>	Other Amount	[insert currency and amount greater than or equal to the principal amount]
		Early Redemption	
<input type="checkbox"/>	Early Redemption at the Option of the Issuer		
	Notice Period		[60][●] [Business Days'] [days'] nor less than [30][●] [Business Days'] [days']
	Call Redemption Date(s)		[insert Call Redemption Date[s]]
	Call Redemption Amount(s)		[insert Call Redemption Amount[s] [and corresponding Call Redemption Dates]]
	<input type="checkbox"/>	Minimum Call Redemption Amount	[principal amount] [an amount which is at least equal to [insert minimum Call Redemption Amount]]
	<input type="checkbox"/>	Increased Call Redemption Amount	[insert increased Call Redemption Amount]
<input type="checkbox"/>	Early Redemption at the Option of the Holder³¹		
	Optional Early Redemption Date(s)		[insert Optional Early Redemption Date[s]]
	Optional Early Redemption Amount(s)		[insert Optional Redemption Amount[s] [and corresponding Optional Redemption Dates]]
	Minimum Notice Period		[insert minimum notification period of at least 5 Business Days]

³¹ Only applicable for Ordinary Senior Notes.

	Maximum Notice Period	<i>[insert maximum notification period]</i>
<input type="checkbox"/>	Early Redemption for Regulatory Reasons³²	
	Notice Period	[60][•] [Business Days'] [days'] nor less than [30][•] [Business Days'] [days']
	Early Redemption Amount	
	Early Redemption Amount	[Final Redemption Amount] <i>[insert other amount/rate]</i>
AGENTS (§ 7)		
<input type="checkbox"/>	Additional Paying Agent(s)/specified office(s)	<i>[other/further Fiscal/Paying Agent(s)/specified office(s)]</i>
<input type="checkbox"/>	Calculation Agent	[Fiscal Agent shall act as Calculation Agent] <i>[insert name and address of Calculation Agent]</i>
<input type="checkbox"/>	Other Agents	<i>[insert name and address of other Agents]</i>
EVENTS OF DEFAULT (§ 10)		
<input type="checkbox"/>	Not applicable	
<input type="checkbox"/>	Applicable	
SUBSTITUTION (§ 11)³³		
<input type="checkbox"/>	§ 11(1)(d) provides for the issuance of a guarantee	
<input type="checkbox"/>	§ 11(1)(d) provides for the Substitute Debtor to have the same or better as the respective rating of the Issuer	
AMENDMENT OF THE CONDITIONS; HOLDERS' REPRESENTATIVE (§ 12)		
	Appointment of Holders' Representative	
<input type="checkbox"/>	Appointed by resolution passed by Holders	
<input type="checkbox"/>	Appointed in the Conditions	<i>[insert name, address and contact details of Holders' Representative]</i>
NOTICES (§ 14)		
<input type="checkbox"/>	Notes are not intended to be listed	
<input type="checkbox"/>	Notes are intended to be listed on the regulated market of the Luxembourg Stock Exchange	
<input type="checkbox"/>	Notes are intended to be listed on any other Stock Exchange	

³² Only applicable for Eligible Notes.

³³ Only applicable for Ordinary Senior Notes.

PART II.: OTHER INFORMATION

Interests of natural and legal persons involved in the issue		
<input type="checkbox"/>	Other interests (not included in the Prospectus under "GENERAL INFORMATION / Interests of natural and legal persons involved in the issue")	[specify other interests]
Use of proceeds ³⁴		
	Use of Proceeds	[As set out in the Prospectus] [specify other use of proceeds]
	[Estimated net proceeds	[]
Selling Restrictions		
<input type="checkbox"/>	TEFRA C	
<input type="checkbox"/>	TEFRA D	
ECB-eligible Security ³⁵		[Yes][No]
Securities Identification Numbers		
	[Interim ISIN] ³⁶	[]
	[Permanent] ³⁶ ISIN	[]
	[Interim Common Code] ³⁶	[]
	[Permanent] ³⁶ Common Code	[]
	Any other securities number	[]
Yield ³⁷		[Not applicable]
	[Yield]	[]
	[Unified Yield Rate]	[]

³⁴ See paragraph "Use of Proceeds" in this Prospectus. If the use of proceeds is different from the use of proceeds as stated in this Prospectus include such use here.

³⁵ Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) or in any other way admissible pursuant to the Eurosystem eligibility criteria, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. **[Include this text if "yes" is selected in which case the Notes must be issued in NGN form or in any other form admissible pursuant to ECB eligibility criteria.]**

Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) or in any other way admissible pursuant to Eurosystem eligibility criteria. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

³⁶ Include only in the case of fungible tranches.

³⁷ Only applicable for Fixed Rate Notes.

	Resolutions, authorisations and approvals by virtue of which the Notes have been created and/or issued	[]
[Registration of the Administrator pursuant to the Benchmark Regulation³⁸	
	Benchmark	<i>[insert name of the Benchmark]</i>
	Benchmark Administrator	<i>[insert name of the Administrator]</i>
	Registration of the Benchmark Administrator in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17 /EU and Regulation (EU) No 596/2014 (the "Benchmark Regulation")	[Applicable] [Not applicable] [As far as the Issuer is aware, <i>[[insert benchmark]</i> does not fall within the scope of the Benchmark Regulation by virtue of Article 2 of the Benchmark Regulation] [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that <i>[insert name of Administrator]</i> is not currently required to obtain <i>[insert in case relevant administrator is located within the EEA: authorisation or registration]</i> <i>[insert in case relevant administrator is located outside the EEA: recognition, endorsement or equivalence].</i>
	Method of distribution	
<input type="checkbox"/>	Non-syndicated	
<input type="checkbox"/>	Syndicated	
	Management details including form of commitment	
	<i>[Management Group (specify name(s) and address(es) and LEI)]</i>	[]
	[Dealer]	[]
<input type="checkbox"/>	Firm commitment	[]
<input type="checkbox"/>	No firm commitment / best efforts arrangements	[]
	Stabilising Dealer/Manager	
	Stabilising Dealer/Manager	<i>[insert details]</i> [None]
	Intended Admission(s) to Trading and Listing(s)	
	Admission(s) to Trading and Listing(s)	[Yes][No][Application [has been][will be] made]
<input type="checkbox"/>	Luxembourg Stock Exchange: Admission: Regulated Market / Listing: Official List	
<input type="checkbox"/>	Other (insert details)	[]

³⁸ Insert only in case of Notes which reference to a Benchmark, whose administrator has not been disclosed in this Prospectus.

	Expected date of admission	[]
	Estimate of the total expenses related to admission to trading	[]
	If different from the issuer, the identity and contact details of the person asking for admission to trading, including the legal entity identifier (LEI) where the person asking for admission to trading has legal personality.	[]
	Rating³⁹	
	<p>[The Notes to be issued [have been] [are expected to be] rated:</p> <p><i>[Moody's: [•]]</i></p> <p><i>[[Other]: [•]]</i></p> <p>[The Notes are not expected to be rated.]</p> <p><i>[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]</i></p>	
	<p>This credit rating [has] [is] / These credit ratings [have been] [are expected to be] issued by <i>[insert full name of legal entity which has given / is expected to give the rating]</i> which [[is] [are] established in the European Union, [is] [are] registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended and [is] [are] included in the list of credit rating agencies registered in accordance with this Regulation published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk).]</p> <p>[[is] [are] not established in the European Union and [is not][are not] registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.]</p>	

³⁹ Do not complete, if the Notes are not rated on an individual basis.

	Prohibition of Sales to EEA and UK Retail Investors⁴⁰	
	Prohibition of Sales to EEA Retail Investors:	[Applicable] [Not Applicable]
	Prohibition of Sales to UK Retail Investors:	[Applicable] [Not Applicable]
	[Third Party Information]	
	With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.]	

Raiffeisenbank Austria d.d.

[Name & title of signatories]

⁴⁰ If the Notes may constitute "packaged" products and no KID will be prepared, "applicable" should be specified. If the Notes may constitute "packaged" products and a KID will be prepared, "not applicable" should be specified.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer to generate funding, to hedge certain risks or to take advantage of current market opportunities (arbitrage).

If, in respect of any particular issue, there exists a particular identified use of proceeds other than using the net proceeds for the above-mentioned reasons, then this will be stated in the relevant Final Terms. In any case, the Issuer is free in the use of proceeds from each issue of Notes.

Notes may be issued as ESG Bonds and the relevant Final Terms will indicate if the Notes are intended to constitute ESG Bonds. Once the framework relating to ESG Bonds has been established, a supplement to the Base Prospectus will be prepared to include information relating to such framework. The Issuer intends to allocate an amount equal to the net proceeds from any issue of ESG Bonds to Eligible Projects, in line with any framework the Issuer may publish from time to time on its website. Such framework may be updated or amended from time to time to reflect current market practice. Any amendments to the framework will also be available on the Issuer's website.

DESCRIPTION OF THE ISSUER

1. INFORMATION ABOUT THE ISSUER

1.1 Corporate history and development of the Issuer

Raiffeisenbank Austria d.d. (the "**Issuer**" or the "**Bank**") was incorporated in December 1994 as the subsidiary of Raiffeisen Zentralbank Österreich Aktiengesellschaft ("**RZB**", the legal predecessor of Raiffeisen Bank International AG – "**RBI**") and was the first foreign-owned bank in Croatia, with the strategic objective of building a comprehensive financial services offering to clients. Since 1999, the Bank has built a sales network and, parallel to the opening of branches, it established subsidiaries which provide a comprehensive range of banking and other financial services to its customers through its subsidiaries in Croatia which, in addition to the Bank, include also Raiffeisen stambena štedionica d.d., Raiffeisen Consulting d.o.o., Raiffeisen Invest d.o.o., Raiffeisen Leasing d.o.o., Raiffeisen mirovinsko društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima d.d., Raiffeisen mirovinsko osiguravajuće društvo d.d. and Raiffeisen Bonus d.o.o. in liquidation (the "**Group**"). As at 31 December 2020, the Bank provided customer service through 63 branches in 36 Croatian cities, digital sales channels and 450 ATMs in the Bank's own network. The development of digital sales channels accelerated in 2020 due to reduced population mobility during the lockdown period, while the number of users of direct bank services via the Internet and mobile applications reached 48 thousand businesses and 249 thousand in the retail segment.

The Issuer's sole shareholder is Raiffeisen SEE Region Holding GmbH ("**RSRH**") (with a stake of 100% of the shares of the Issuer). RSRH is indirectly held by RBI.

General information about the Issuer

The Issuer's legal name is "Raiffeisenbank Austria d.d." and the commercial names are "Raiffeisenbank Austria" and "RBA". The Issuer is organized as a joint-stock company (*dioničko društvo*) incorporated and carrying out its activity in accordance with Croatian law. The Issuer is registered in the Croatian court register (*Sudski registar*) at the Zagreb Commercial Court (*Trgovački sud u Zagrebu*) under Company Reg. No. (MBS) 080002366, EUID HRSR.080002366, personal identification number (OIB) 53056966535, and the Issuer is a Croatian tax resident. The Issuer's legal entity identifier (LEI) code is 529900I1UZV70CZRAU55.

The Issuer was incorporated in Croatia on 13 December 1994 and is established for an indefinite period. The Issuer's registered office is located at Magazinska cesta 69, 10000 Zagreb, Croatia, its general telephone number is: +385 1 4566-466 and its website is "www.rba.hr". The information on the Issuer's website does not form part of this Prospectus unless that information is explicitly incorporated by reference into this Prospectus (please see section 7 "Financial Information and Documents Incorporated by Reference" below).

Statutory auditors

The Issuer's independent auditors in relation to the financial statements of the Group for the fiscal years ending on 31 December 2019 and on 31 December 2020, respectively, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, were KPMG Croatia d.o.o. ("**KPMG**"), Ivana Lučića 2a, 17th floor, 10000 Zagreb, Croatia. In each year, the audits of the above-mentioned financial statements resulted in an unqualified audit opinion. KPMG is a member of the Croatian Audit Chamber (*Hrvatska revizorska komora*) of the Republic of Croatia.

As of 1 January 2021 the Issuer's independent auditor in relation to the financial statements of the Group is Deloitte d.o.o. (Deloitte), Radnička cesta 80, 10000 Zagreb, Croatia. Deloitte is a member of the Croatian Audit Chamber (*Hrvatska revizorska komora*) of the Republic of Croatia.

Any recent events particular to the Issuer and which are to a material extent relevant for the evaluation of its solvency

The Issuer is not aware of any recent events which are particular to the Issuer (i.e. occurring after the most recent published audited consolidated financial statements of the Issuer as of 31 December 2020) that are to a material extent relevant to the evaluation of its solvency.

Credit ratings

The Issuer has obtained ratings from Moody's Investors Service ("**Moody's**")*. As of the date of this Prospectus, such ratings are as follows:

Type	Rating	Outlook
Long Term Counterparty Risk Foreign Currency Rating	Baa2	Stable
Long Term Foreign Currency Bank Deposit Rating	Baa2	Stable

* *Moody's Investors Service Cyprus Limited, Porto Bello Building, 1, Siafi Street, 3042 Limassol, PO Box 53205, CY 3301 Limassol, Cyprus is established in the European Union, is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published by the European Securities and Markets Authority ("**ESMA**") on its website.*

As of 14 December 2020, Moody's has upgraded the Issuer's Long-Term Deposit rating from Ba3/Baa3 (Foreign Currency/Domestic Currency) to Baa2 (Foreign Currency) with stable outlook.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

2. BUSINESS OVERVIEW

2.1 Principle areas of activity

The Issuer's statutory purpose is to engage in banking and financial business of any kind and in other related activities, in accordance with the applicable laws and within the authorisation for functioning granted by the Croatian National Bank ("**CNB**"). The Issuer's core area of business activity is monetary intermediation and the principal object of activity are activities related to monetary intermediation.

2.2 General presentation of main categories of the products sold and services performed

The Issuer's business activities are subdivided into the following segments:

- Retail Banking;
- Corporate Banking;
- Capital Markets and Financial institutions;
- Treasury.

2.3 Retail Banking

Private Individuals

The Issuer offers banking products to private individual customers ("**PI**") and aims to provide them with simple and reliable services in every interaction, adequate digital solutions and satisfying banking experiences. To achieve these goals, the Issuer creates product and services based on the customer needs which are established through market research conducted by the external agencies or by internal effort.

Development and roll out of new products, services and channels is done by the agile multidisciplinary teams, which enables higher efficiency and flexibility in implementation. Despite the coronavirus ("**COVID-19**") environment, the Issuer continued to deliver innovative products to the market in 2020, focused on improving digital capacities and process improvements based on new technologies. The most important innovations include development of the new mobile banking app bringing end to end ("**e2e**") pre-approved personal loans to that channel and e2e account opening and current account package contracting through the new process of video identification on public web and mobile banking.

The Issuer continues to be focused on all three PI segments: mass, premium, and private customers, by continuously adjusting its service model and product offer suited for those customer groups. Customers satisfaction is one of the key strategic goals of the Issuer, and it is measured through the net promoter score on a quarterly basis.

As still the most important sales channel, the branch network is undergoing digital transformation, by introducing the new "Branch of the future" customer oriented design to already 7 of its branches and introducing a new format of a cashless branch as a pilot in 6 locations starting from January 2021. With a relatively smaller branch network than the Issuer's main competitors, the Issuer has no immediate plans to further downsize its branch network.

Digital daily banking products

In 2020, the Issuer continued to digitalise the daily banking experiences of its customers, offering new mobile banking app ("**mojaRBA**") and new mobile wallet app ("**RaiPay**") alongside other daily banking products, such as online account opening, account package and access to financing products (e.g. personal loans) online.

2020 was for the Issuer in terms of mobile banking a significant year as more than 100.000 active users were migrated to the new mobile banking app – mojaRBA. From June 2020 the app is present in all major app stores (Android, Apple and Huawei) reaching over 3,000 monthly app downloads.

With the new app clients have a possibility to fully e2e digitally contract mobile banking service without the need for a branch visit, via video identification. Along with offering of Klik&Go package which is an exclusive offer for new clients combining mobile banking service and current account available only on digital channels (web and mojaRBA mobile banking) also in e2e process, the Issuer enabled remote digital activation of new clients.

With the new RaiPay app, clients can pay by mobile phone - contactless, secure and easy, without cards and without cash - with all personal Mastercard and Visa cards of the Issuer, stored inside the app at points of sale that accept contactless payment at home and abroad. Payments are safer, faster and easier, and clients don't need an internet connection to use the RaiPay application.

Access to financing products

The Issuer offers various financing instruments to private individual customers such as personal loans, mortgage loans, credit cards and overdrafts. The Issuer seeks to attract new customers and retain existing ones by offering certain benefits in connection with its financing products such as the possibility to choose the type of repayment (applicable to mortgage loans), a fast and automated loan offer calculation. Regarding credit cards transactions can be divided up to 24 instalments and the Issuer offers Micro loans.

The Issuer provides its customers with the option to access financing products online (applicable to personal loans) via their internet banking or Issuer web site and proactively makes pre-approved loan offers available to the existing customers on the internet banking and mobile banking application (applicable to eLoan, which is a personal loan product).

Regarding mortgage loans, the Issuer offers a special models of subsidised loans in cooperation with the state.

Saving and Investment products

The Issuer offers to PI (mass, affluent, private) Term Deposits. Customers have the opportunity to save for retirement by contracting Raiffeisen Voluntary pension savings and to secure the future of themselves and their families by contracting UNIQA insurance's life insurance. Additionally, the wide range of insurance products are available (e.g. property insurance, voluntary health insurance, accident insurance and payment protection insurance attached to loans and credit cards).

Depending on customer segment/wealth and customer service level 12 Raiffeisen Invest's investment funds are available to customers. Since September 2020, the Issuer (as the first such distributor on the Croatian market) offers to PI the possibility to invest in the Raiffeisen Sustainable MIX Investment Fund ("**Sustainable MIX Investment Fund**"), which in its strategy incorporates environmental protection, impact on society and social aspects and corporate governance (ESG).

The Issuer offers to affluent customers within premium banking service the possibility to invest in certificates in primary offer, provides non-advisory service and will introduce investment advisory in 2Q 2021.

The Issuer provides to PI the possibility to trade local stocks on the Zagreb Stock Exchange through the online trading platform "eBroker" or by giving orders to brokers, as well as to trade foreign stock by giving orders to brokers who provide transactions on foreign markets.

Friedrich Wilhelm Raiffeisen ("FWR**") Private Banking Customers**

The Issuer's private banking service is aimed at high net worth individuals with assets under management with the Issuer and/or Raiffeisen Invest of more than EUR 250,000 each. As of the date of this Prospectus, the Issuer has EUR 481 million in assets under management.

Following the RBI Group's vision, one of the Issuer's main objectives is to provide superior customer experience to its customers through continuous innovation. Private banking service has a high level of recognition for the excellence of the services offered, both from customers and from the financial services industry. The Issuer's focus is on continuous professional care and development of carefully selected FWR Private Bankers as their professional growth is a direct asset to clients as well.

The Issuer offers to private customers Raiffeisen Invest's investment funds, certificates in primary offer and bonds (non-advisory sale) and will introduce investment advice to customers in Q2 2021.

Small and medium-sized enterprises

Considering the characteristics of the Croatian market, the small and medium-sized enterprises ("**SMEs**") segment, as defined in the Issuer's business segmentation, comprises of SMEs with private capital and an annual turnover up to EUR 5 million. By positioning customers' needs in the center of the Issuer's focus and offering easy to use financial solutions and products, the Issuer aims at building an ecosystem that provides all necessary financial services for conducting entrepreneurial businesses and establishing long term relationships.

The SME client base is segmented according to the criterion of business potential i.e. the total revenue generated in the last two business years and/or the total exposure. Micro clients generate total revenues up to HRK 7.8 million and/or up to HRK 1.6 million total exposure while small clients generate total revenues between HRK 7.8 million and HRK 38 million and/or total exposure between HRK 1.6 million and HRK 11 million. SME clients are divided into crafts in the income tax system, crafts in the profit tax system, liberal professions, family farms and companies.

Besides its branch network, the Issuer also offers SMEs a wide range of alternative channels through which they can access the Issuer's products and services: mobile banking, internet banking or Interactive Voice Response via Call Center. Services available on Internet and mobile banking will continue to improve, expanding the range of services that are performed not only in the branch but also through digital channels.

Digital solutions like internet banking and mobile banking seek to enhance customer experience for SMEs, ensure non-stop service availability and offer the lowest transaction costs. The number

of customers using these digital solutions is constantly growing, as of 31 December 2020, 90% of customers use internet banking and 57% of customers use mobile banking.

Since 2019, payment and withdrawal ATMs located in the 24-hour zones of the Bank's branches are also available to SME clients, which has further expanded and improved the cash management service.

At the same time, the optimisation of the current account package continued by including a certain number of transactions free of charge, thus giving entrepreneurs the advantage of performing transactions with their business partners. Through the digital transformation of the process, the goal is to enable online account opening, and online realisation of pre-approved credit product without the obligation to come to the Bank.

In the coming period, SME clients will be offered the so-called remote relationship services, i.e. the possibility for the SME client to realise the Bank's services by remote access via video-conference connection. It is also planned to upgrade internet banking to enable SME clients to review and process issued and received invoices, monitor cash flows, review account balances and other products, all with the aim of easier planning of future business.

The Issuer has developed a process by which it systematically monitors its SME clients from the establishment of a business relationship to the completion or closing of a transaction account, and the process takes place through several phases: acquisition, onboarding and retention of the client. The greatest emphasis is placed on the acquisition and onboarding of new clients.

2.4 **Corporate Banking**

The general strategy of the corporate division is the development of continuous relationship with large and mid-sized corporate customers, with a focus on quality built on knowledge and expertise in financial services. The aim of the corporate division is to support its customers in financial growth and stability through solutions provided in harmonised approach within the Issuer and the Group.

The corporate business line is made up of 4 organisational units:

- Large Corporate Clients and Structured Finance;
- Mid Market Business;
- Corporate Products; and
- Sales Management.

Corporate business is organised in three segments:

- Large companies with annual turnover above EUR 50 million and Group Account Management System customers (customers dealing with min. two Raiffeisen network banks within certain thresholds);
- Mid companies with turnover EUR 5 million to 50 million; and
- Local and Regional authorities.

Financial solutions for large companies are often tailor made, provided within large, multinational and project finance departments. Dealing with multinational companies requires expert support in all areas, especially in cash management area. Project financing covers complex transactions in real estate financing, green projects as well as syndicated loans.

Mid segment is organised within regions. Growing companies require a wide range of products and financial services, as well as building financial knowledge and usage of different ways of support. Solutions for mid-sized companies are provided exploring resources within the Issuer and the Group.

In both segments' relationship development is based on providing expert support for financial solutions, as well as trade finance, supra national development programmes and EU grants schemes.

The Issuer's corporate strategy is related to several main areas:

- Providing a secure business model which can address customers' needs in the most appropriate way, providing efficient processes and a stress free experience for its customers and increasing customer satisfaction;
- Boosting sales efficiency through data analytics and a structured sales approach (using advisory model, account planning and sales leads derived using data analytics);
- Increased process efficiency, both internally and externally, through increasing the digital offering. Several initiatives are boosting transformation to paperless and digital channels processes, including:
 - increased digital services including account opening and maintenance;
 - the utilisation of limits on the transactions effected via digital channels;
 - a commitment to responsible corporate practice, including – products and services for sustainable business, according to environmental, social and governance (ESG) aspects (green loans, bonds, leasing etc.); and
 - a harmonized business and risk approach reflected in a wide range of processes and products combining regulatory requirements and process efficiency (KYC, optimisation of lending process, approach differentiation for low risk and simple products etc.).

2.5 **Capital Markets and Financial institutions**

The markets division of the Issuer ("**MD**") is covering the needs of the Issuer's customers interested in the capital markets products, as well as being responsible for the management of all the risks linked to customers' transactions, as well as transactions with financial instruments. The Issuer covers all customer segments for specific products that it may sell based on the approved distribution model, as well as being involved in interbank transactions for the purposes of managing customer demand and for undertaking risks, based on the approved trading model and the market risk set of limits approved specifically for MD. The Issuer is one of the primary dealers in the relation with the Croatian Ministry of Finance. The key objective for MD is the digitalisation of low-risk taking transactional business. Through the trading desk, MD is active on the EURO-HRK foreign exchange ("**FX**") market, Croatian Government Bonds market and all related plain vanilla FX derivatives.

The Issuer also offers its customers services relating to arranging the issues of financial instruments and related services in accordance with the law governing the capital market, advice and services relating to mergers and the purchase of undertakings, and comprehensive insight into current economic and capital markets trends as well as investment research and financial analysis of companies listed on the Zagreb Stock Exchange.

Custody services include safe-keeping of local and foreign financial instruments as well as a range of additional services (transactions processing, securities settlement, corporate actions services, taxation, reporting, billing, paying and information agent services etc.) provided to all sort of clients (from retail, corporate to FI clients). Depositary bank services are services focused on investment and pension funds and include fund valuation, reporting, limits control activities, corporate actions services, settlement, billing, etc.

Financial institutions

The financial institutions division is responsible for managing business relationships between the Issuer and various domestic and foreign banks, non-bank financial institutions and sovereigns. This includes establishing correspondent relationships and managing exposures with domestic and international commercial and investment banks, managing exposures and providing banking

products to insurance companies, leasing companies (having a financial group as the main shareholder), investment funds, pension funds, brokerage companies, other types of finance companies, payment service providers/money service businesses and sovereigns.

2.6 Treasury

The Asset and Liability Management Department ("**Treasury**") is responsible for the strategic management of the Issuer's assets and liabilities with the main goal of generating sustainable net interest income for the Issuer. By steering the on and off balance sheet of the Issuer through taking strategic positions (liquidity, interest rate, credit spread), Treasury proactively manages the risk and return profile of the Bank with prudence and within the guidelines set by the Management Board of the Bank.

Treasury manages the structural interest rate risk in the banking book arising from the structure of the balance sheet which is driven by principal main banking activities such as deposit gathering and loan granting. Interest rate risk refers to the current and prospective risk to the Bank's capital equity and earnings arising from adverse movement in interest rates that affect the banking book positions. Effective management of exposure to interest rate risk affects the Issuer's earnings by altering interest sensitive income and expenses which is reflected on Issuer's net interest income ("**NI**") and economic value.

In order to make itself less dependent on short term financing and thus ensure an adequate level of liquidity under stress conditions, the Issuer maintains a liquidity reserve comprised of high-quality liquid assets ("**HQLA**"), including cash held at the central bank and bonds eligible as collateral for central bank liquidity facilities. Such assets are sufficiently liquid and can be converted easily and immediately into cash to meet the Issuer's liquidity needs within a short-term horizon.

As required by the regulatory framework established on an EU level, the Issuer is obliged to maintain a liquidity coverage ratio ("**LCR**" or "**Liquidity Coverage Ratio**"), the purpose of which is to ensure that the Issuer maintains at all times sufficient levels of high quality liquid assets used for covering 30 days net cash outflows in stress scenario. The Issuer needs to maintain a LCR level above 100% which is a minimum level as required by the regulator. In the case of the Issuer, the value of the liquidity buffer held by the Issuer amounted to EUR 1,544 million in December 2020, the corresponding ratio being close to 175%.

Net Stable Funding Ratio ("**NSFR**" or "**Net Stable Funding Ratio**") supplements the LCR but focuses on the long-term funding and has a time horizon of one year. The NSFR is the ration of the Bank's available stable funding to its required stable funding and defines the minimum acceptable amount of stable funding. NSFR is monitored by the Issuer regularly, but its fulfilment shall become mandatory starting from 28 June 2021. As at December 2020, the Issuer had the NSFR ratio at a level significantly above 100%.

	31 December	
	2019	2020
High-quality Liquid Assets (EUR mn).....	1,221	1,544
Net Outflows (EUR mn)	876	882
LCR (%)	139%	175%
NSFR (%)	172%	194%

Source for LCR data: Audited IFRS-EU Financial Statements of the Issuer.

Source for NSFR data: Internal report of the Issuer.

The Issuer's funding plan is updated at least annually in accordance with the balance sheet funding needs, taking into consideration all regulatory requirements imposed by the relevant authorities.

The Issuer's diversified funding is naturally driven by strong customer deposits base, which makes up 89% of Issuer's total financial liabilities as at 31 December 2020. PI deposits are the main source of the Bank's funding (and represent 54% of total customer deposits and 48% of total financial liabilities as at 31 December 2020). PI deposits show increasing trend since 2016, thus representing a stable source of funding in the periods of economic growth as well as during economic crisis. Another important source of funding for the Issuer are corporate deposits which amount to 41% of total Issuer's financial liabilities as at 31 December 2020. Their historical stickiness and steady

growth are visible, while maintaining efficient cost of funding. Retail customers with HRK current account and operational non-retail deposits represent Issuer's core deposit base.

As at 31 December 2020, other sources of funding include long term credit lines from development banks, long term structural repo with Croatian National Bank, both collateralized with high quality liquid assets, and other subordinated liabilities supported by robust capital base in amount of EUR 630 million.

2.7 Capital requirements

Implementation of the risk profile at the Issuer's level is realised by establishing a strategy for each significant risk and implementation of corresponding policies. The Issuer adopted policies for managing significant risks, ensuring the implementation of the adequate risk profile.

The main objective of the risk management activity in the Issuer is to maintain an adequate level of internal capital in relation to the risks taken, both from a regulatory (sustainability perspective) and economic (target rating perspective) point of view.

It is considered that the Issuer has an adequate level of capital for covering risks when economic capital is less than or equal to the risk capital, for all risks.

From 31 December 2020, internal capital is equal to tier 1 capital, and tier 2 is no longer included in internal capital since tier 2 does not cover risks from a going concern perspective. As the risk tolerance of HRK 4,620,48 million is higher than the total amount of capital of HRK 2,839,37 million, on 31 December 2020 the Prudential Group had an adequate level of internal capital for covering risks. Due to disparities between certain regulatory and accounting provisions, the Group is not fully identical with Prudential Group. The "**Prudential Group**" consists of:

- Raiffeisenbank Austria d.d.,
- Raiffeisen Leasing d.o.o.,
- Raiffeisen Building stambena štedionica d.d., and
- Raiffeisen Consulting d.o.o.

Capital structure for the Prudential Group (sub-consolidated level):

Capital structure (% RWA*)	Actual 31 December 2019 audited	Actual 31 December 2020 audited
SREP requirements		
CET 1.....	17.2%	20.9%
Tier 1	18.6%	22.4%
CAR*	20.1%	23.6%
Capital buffers		
Conservation	2.5%	2.5%
Countercyclical	0.0%	0.0%
O-SII	2.0%**	2.0%
Systemic Risk	3.0%	1.5%

* CAR – Capital adequacy ratio; *RWA – Risk weighted assets

** Maximum between O-SII and Systemic risk buffer applies

Source: Audited IFRS-EU Financial Statements.

On 10 June 2021, the Issuer received the CNB Decision on MREL requirement set by the SRB and calibrated on balance sheet data as of 31 December 2019 and the BRRD II.

The Issuer, as the resolution entity of the Prudential Group, must comply with binding intermediate MREL requirements equivalent to 18.48 per cent. (excluding the combined buffer requirement

("CBR")) of TREA and 5.91 per cent. of LRE of the Prudential Group starting from 1 January 2022.

The MREL requirements on fully loaded basis, effective from 1 January 2024, are equivalent to 24.46 per cent. of TREA (excluding CBR) and 5.91 per cent. of LRE of the Prudential Group, respectively.

In addition, the minimum subordination requirements were set at a level of 15.01 per cent. of TREA (excl. CBR) and 5.91 per cent. of LRE, thereby specifying the amount of the total MREL requirements that must be met with subordinated instruments such as regulatory capital, subordinated debt and senior non-preferred debt.

The TREA of the Prudential Group as of 31 December 2019 (as applied by the SRB for the MREL calibration) amounted to EUR 2.9 billion and LRE to EUR 5 billion.

The table below summarises the Issuer's current MREL and subordination requirements:

Requirements for Prudential Group (based on December 2019 data)	From 1 January 2022	
	As a percentage of TREA (excl. CBR)	As a percentage of LRE
	(per cent.)	
Total MREL	18.48	5.91
Subordinated MREL	15.01	5.91

Based on balance sheet data for the Prudential Group as of 31 December 2020 and SRB's 2020 MREL Policy, the Issuer complies with the abovementioned total MREL and subordination requirements, both on interim and fully-loaded basis, as of the date of this Prospectus.

MREL and subordination requirements do not apply to Issuer's consolidated balance sheet, but to the Prudential Group comprising mainly of the Issuer, and its direct subsidiaries. As the Prudential Group is not a legal entity or reporting unit, there is no statutory reporting, but there is a capital requirement at the consolidation level of the Prudential Group which are reported in the public disclosures.

3. ORGANISATIONAL STRUCTURE

The RBI Group

The Issuer is a subsidiary of RBI and is part of the RBI Group. RBI is established in the legal form of an Austrian stock corporation under Austrian law with unlimited duration with its registered seat in Vienna, Austria and its principle place of business is located at Am Stadtpark 9, 1030 Vienna, Austria. RBI is registered with the Austrian companies register of the commercial court of Vienna under registration number FN 122119 m since 9 July 1991.

RBI operates as a credit institution according to § 1 para 1 of the Austrian Banking Act (*Bankwesengesetz*) and its shares are listed on the Vienna Stock Exchange.

RBI regards Austria, where it engages primarily in corporate and investment banking, as well as Central and Eastern Europe ("CEE") as its home market. RBI Group is a universal banking group offering banking and financial products as well as services to retail and corporate customers, financial institutions and public sector entities predominantly in or with a connection to Austria and CEE.

In CEE, RBI operates through subsidiary banks in Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Kosovo, Romania, Russia, Serbia, Slovakia and

Ukraine as well as through a branch in Poland and leasing companies and numerous specialized financial service providers.

Additionally, the RBI Group comprises numerous other financial service providers, for instance in the fields of leasing, asset management, as well as M&A. To support its business activities, RBI operates representative offices and service branches at selected Asian and Western European locations.

As at 31 December 2020, the RBI Group comprised around 45,400 employees and serviced approximately 17.2 million customers through around 1,860 business outlets. RBI Group's balance sheet total amounted to approximately EUR 166 billion as at 31 December 2020.

The RBI Group is present in Croatia through its indirectly owned (directly owned by the Issuer) subsidiaries on different segments of the financial market: banking, investment fund management, pension funds management and pension insurance, leasing and the savings and crediting in collective system for housing segment.

Principal subsidiaries of the Issuer

As of the date of this Prospectus the Issuer has the following principal subsidiaries, which are wholly owned by the Issuer:

- Raiffeisen stambena štedionica d.d.;
- Raiffeisen Consulting d.o.o.;
- Raiffeisen Invest d.o.o.;
- Raiffeisen Leasing d.o.o.;
- Raiffeisen mirovinsko društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima d.d.;
- Raiffeisen mirovinsko osiguravajuće društvo d.d.; and
- Raiffeisen Bonus d.o.o. in liquidation.

To put the above-mentioned principal subsidiaries of the Issuer in perspective in the context of the Group, the Issuer represents as at 31 December 2020 more than 92% of the Group's assets.

Dependencies on other entities within the RBI Group

The Issuer is operationally independent from the RBI Group, but strategically integrated in the RBI Group's operations with steering influences received in virtue of the ownership position. As such, material changes in the strategy at the RBI Group level can result in changes with regards to steering direction at the Issuer level. Also, the Issuer represents the RBI Group within the local market, thus any perceived adverse effect at the RBI Group level may have an adverse effect on the Issuer.

4. TREND INFORMATION

4.1 Material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements

Since 31 December 2020 there have been no material adverse changes in the prospects of the Issuer.

4.2 Significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published

Since 31 December 2020 there have been no significant changes in the financial performance of the Group to the date of this Prospectus

4.3 **Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year**

The Issuer has identified the following trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on its prospects for at least the current financial year:

- **COVID-19 pandemic**

The ongoing COVID-19 pandemic has impacted the Issuer's 2020 results versus its 2020 budget as approved in 2019. During 2020 significant actions have been undertaken by international and local authorities aiming to mitigate the short-term negative effects of the COVID-19 pandemic but the pace of the economic recovery remains uncertain. Also, due to the novelty of many such measures, long term impact and effects of the ongoing COVID-19 pandemic cannot be fully assessed at this time, and uncertainty may linger for a significant period, triggering potential negative consequences for the business prospects of the Issuer.

- **Continuing increasing regulatory requirements**

The regulatory requirements (as implemented by the CRR, CRD IV and BRRD) and the respective amendments (in particular the EU Banking Package and the Basel III reforms (for further details see also in the section Risk Factors under "*The Issuer is subject to substantial regulation and supervision. Any new governmental or regulatory requirement and/ or any change in perceived levels of adequate capitalisation and leverage could subject the Issuer to increased capital and MREL requirements and require the Issuer to obtain additional capital or liquidity in the future.*")), as well as any stress tests conducted by the competent authorities, will likely result in increased requirements for the Issuer – in particular on its capital and liquidity planning – which may restrict the Issuer's margin and potential for growth.

- **General trends regarding the financial services industry**

The uncertainties affecting the financial services sector, in addition to the afore-mentioned effects of the COVID-19 pandemic, continue to include the macroeconomic environment development. The financial services sector is affected by the related instability of and volatility on the financial markets, including a potential general economic downturn. Thus, the Issuer may not be able to escape the effects of corporate insolvencies, deteriorations in the creditworthiness of borrowers and valuation uncertainties. Likewise, the low interest rate environment could affect the behaviour of investors and customers alike, which may lead to weaker fee income for the Issuer and/or pressure on the interest rate spread.

- **Merger of Raiffeisen Building Society Plc**

In 2020, the Issuer started the process of merging its subsidiary Raiffeisen Building Society Plc. Both regulatory bodies (CNB and the Ministry of Finance of the Republic of Croatia) have been informed of the Issuer's intent. In May 2021 the Issuer has received the approval from the CNB. The process is expected to be completed in 2021.

In addition, measures aimed at stimulating economic growth include financing companies from non-commercial sources, thus narrowing the demand for loans from commercial banks. Also, government incentives to increase targeted forms of consumption and investment as tool for spurring growth could result in the reduced rationality in borrowers' decisions, which exposes them to an increased risk of decline in creditworthiness during the loan repayment period, and consequently may increase losses in credit portfolio on side of lenders.

4.4 **Profit Forecasts or Estimates**

Not applicable. This Prospectus does not contain profit forecasts or estimates.

5. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

5.1 Members of the administrative, management and supervisory bodies of the Issuer

The Issuer is managed in a two-tier management system consisting of the Management Board and the Supervisory Board.

The members of the Management Board may be contacted at the Issuer's business address at Magazinska cesta 69, 4th floor, Zagreb, Croatia. The members of the Supervisory Board perform their respective function at the following business addresses:

- Peter Jacenko – Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna, Austria,
- Gabor Kovacs – Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna, Austria,
- Hrvoje Markovinović – Faculty of Law, Trg Republike Hrvatske 14, 10000 Zagreb, Croatia,
- Harald Kreuzmair – Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna, Austria,
- Lovorka Penavić – Raiffeisenbank Austria d.d., Magazinska cesta 69, 10000 Zagreb, Croatia
- Sabine Zucker – Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna, Austria.

The two-tier management system allows for the segregation of the Issuer's management responsibilities, carried out by the Management Board, from the responsibilities of control/supervision that are fulfilled by the Supervisory Board. The dual management system ensures the operational decision-making process to become efficient, while increasing control over the decision makers.

The Supervisory Board exercises an ongoing control over the Issuer's current management activity conducted by the Management Board. The Supervisory Board generally consists of 7⁴¹ members appointed by the General Meeting of Shareholders, being possible to be re-elected for additional mandates.

The Management Board ensures the managing of the Issuer's current business and it generally consists of 4 members⁴² appointed by the Supervisory Board, with the possibility of being re-appointed for additional time periods.

⁴¹ The mandate of one of the members of the Supervisory Board expired on 31 May 2021. As at the date of this Prospectus the Supervisory Board of the Issuer consists of 6 members.

⁴² The mandate of Mr. Zoran Koščak expired on 30 June 2021. The Supervisory Board of the Issuer has approved the appointment of another person for the position of the Member of the Management Board, subject to Croatian National Bank approval. This person will replace Mr. Zoran Koščak as a Member of the Management Board responsible for Corporate, Financial Markets and Investment Banking, following the regulatory approval of his appointment. Therefore, until the approval of the Croatian National Bank is obtained, as at the date of this Prospectus the Management Board of the Issuer consists of 3 members.

As of the date of this Prospectus, the current members of the Management Board and the Supervisory Board listed below hold the following additional supervisory board mandates or similar functions in various companies:

Member	Major functions outside the Issuer
Members of the Issuer's Management Board	
Liana Keserić (President)	Supervisory board functions <ul style="list-style-type: none"> • Raiffeisen stambena štedionica d.d., (Member)
Georg Feldscher (Member)	Supervisory board functions <ul style="list-style-type: none"> • Raiffeisen Consulting d.o.o., Croatia (President) • Raiffeisen Leasing d.o.o., Croatia (Member)
Višnja Božinović (Member)	Supervisory board functions <ul style="list-style-type: none"> • Raiffeisen mirovinsko osiguravajuće društvo d.d., Croatia (President) • Raiffeisen Invest d.o.o., Croatia (President)
Members of the Issuer's Supervisory Board	
Peter Jacenko (Deputy Chairman)	Supervisory board functions <ul style="list-style-type: none"> • Raiffeisen Bank d.d. Bosnia and Herzegovina, Bosnia and Herzegovina (Chairman) • Raiffeisen banka a.d., Serbia (Deputy Chairman) • Raiffeisen Bank Zrt., Hungary (Deputy Chairman) • Raiffeisen Bausparkasse Gesellschaft m.b.H., Austria (Member)
Harald Kreuzmair (Member)	Supervisory board functions <ul style="list-style-type: none"> • Raiffeisen Bank Sh.a., Albania (Member)
Sabine Zucker (Member)	Supervisory board functions <ul style="list-style-type: none"> • Raiffeisen Bank d.d. Bosnia and Herzegovina, Bosnia and Herzegovina (Member) • RSC Raiffeisen Service Center GmbH, Austria (Member)

5.2 **Administrative, Management and Supervisory Bodies' Potential Conflicts of Interest**

The Issuer is not aware of any undisclosed respectively unmanaged conflicts of interest between the obligations of the Issuer's Supervisory Board members and/or the Management Board members and their private or other interests.

In addition, the Issuer has internal provisions pursuant to the CNB regulation regarding the prudential requirements for credit institutions as well as compliance rules (taking into account respective Croatian legal provisions as well as the EBA Guidelines for internal governance (EBA/GL/2017/11), the Joint ESMA and EBA Guidelines on the assessment of suitability of members of the management body and key function holders).

Their objective is to prevent conflicts of interests which may adversely affect the interests of customers or of the Issuer. If any conflicts of interest are identified with respect to the members of the Management Board, Supervisory Board, procedures are in place for measures to be taken to manage and to disclose such conflicts of interest.

The guidelines and rules also cover actual and potential conflicts which may affect the Issuer, the employees themselves (including management), their spouses/partners, children or other family members living in the same household to the extent that these persons have a close relationship with customers or other contractual partners (in particular suppliers) or issuers of financial instruments.

Each member of the Management Board must promptly disclose any conflict of interest to the Supervisory Board and inform the other members of the Management Board of the conflict.

The various functions held by the members of the Supervisory Board might cause a potential conflict of interest in specific circumstances. However, the members of the Supervisory Board are required to disclose immediately any conflict of interest to the Chairman of the Supervisory Board, especially if such conflicts may arise as a result of consultancy services or by holding a board position with a business partner. In the event that the Chairman himself should encounter a conflict of interest he must report this immediately to the Deputy Chairman.

No actual or potential conflict of interests exists in respect of any member of the Management Board or Supervisory Board between his duties to the Issuer and his private or other interests or duties. Members of the Management Board or Supervisory Board may enter into business transactions with the RBI Group in the ordinary course of business on an arm's length basis.

Members of the administrative, management and supervisory bodies of the Issuer who are serving on management boards or supervisory boards or performing any similar functions in other companies/foundations, may, in individual cases, be confronted with conflicts of interest arising in the context of the Issuer's banking operations if the Issuer maintains active business relations with such other companies/foundations. Generally, members of the Issuer's executive bodies serving on management or supervisory boards outside the Issuer, including customers of and investors in the Issuer, in individual cases, may be confronted with potential conflicts of interest if the Issuer maintains active business relations with said companies.

As at the date of this Prospectus, the Issuer is not aware of any conflicts of interest between the duties of the Issuer's administrative, management and supervisory bodies and their private interests and/or other duties.

6. SHARE CAPITAL AND MAJOR SHAREHOLDERS

6.1 Share capital of the Issuer

As of the date of this Prospectus, the Issuer's nominal share capital amounts to HRK 3,621,432,000 and is fully subscribed and paid. It is divided into 3,621,432 nominative, dematerialised shares, each having a nominal value of HRK 1,000 and granting equal voting rights. The shares of the Issuer are not listed on any market.

6.2 Shareholders of the Issuer

The Issuer's sole shareholder is RSRH, Austrian company registered with Commercial Court of Vienna under number FN 255194 k, with its registered seat at Am Stadtpark 9, A-1030 Vienna, Austria, which holds 100% of the Issuer's share capital as of the date of this Prospectus. RSRH is indirectly held by RBI (100%). Thus, the Issuer is indirectly a 100% subsidiary of RBI.

As mentioned above, 100% of voting rights in the Issuer is held directly by RSRH and indirectly by RBI. Hence, RSRH exercises direct control over the Issuer through 100% of voting rights and, implicitly, through the right to appoint most of the members in the Supervisory Board.

Notwithstanding the control relationship between the Issuer and RSRH, the applicable Croatian legislation as well as the internal by-laws of the Issuer prevent the controlling shareholder from exercising its rights in an abusive manner; in particular: (i) the transactions and relationships in

place between the Issuer and its controlling shareholder comply with the arm's length principle and are entered into on a normal commercial basis; (ii) the control is not exercised against the interests of the Issuer; (iii) each share issued by the Issuer grants equal rights to any holder thereof; and (iv) misuse of corporate assets is strictly prohibited under the applicable corporate laws and internal regulations.

To the best of the knowledge of the Issuer, there are measures, like applicable corporate governance regulations, to ensure that such control over the Issuer is not abused.

The source of the above-mentioned information is internal data as of 31 December 2020.

6.3 Arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer

As of the date of this Prospectus, there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

7. FINANCIAL INFORMATION

Selected Financial Information

The Issuer	31 December 2019	31 December 2020
Key profitability and efficiency ratios		
Return on assets (after tax)	1.31%	0.37%
Return on equity (after tax)	10.36%	2.82%
Net interest margin.....	2.60%	2.37%
Cost/Income	58.74%	64.18%
Loans/deposits	72.01%	66.93%
Key risk ratios		
NPL (HRK mn).....	1,058	1,210
Total gross exposure (balance and off-balance sheet; HRK mn).....	41,094	43,702
NPL ratio	2.57%	2.77%
NPL coverage ratio	77%	65%
Provisioning ratio.....	0.17%	1.01%
Total capital specific key ratios		
Total capital ratio	20.76%	23.77%
Risk-weighted assets (HRK mn)	20,543	19,544
Leverage ratio	11.09%	10.94%
The Group	31 December 2019*	31 December 2020*
Key profitability and efficiency ratios		
Return on asset (after tax)	1.19%	0.33%
Return on equity (after tax)	9.34%	2.57%
Net interest margin.....	2.61%	2.37%
Cost/Income	71.04%	78.52%
Cost/Income**	62.99%	69.28%
Loans/deposits	74.80%	69.45%
Key risk ratios		
NPL (HRK mn)	1,215	1,310
Total gross exposure (balance and off-balance sheet; HRK mn)	44,055	46,895
NPL ratio	2.76%	2.79%
NPL coverage ratio	69%	63%
Provisioning ratio	0.15%	0.98%
Total capital specific key ratios		
Total capital ratio	20.06%	23.62%
Risk-weighted assets (HRK mn)	21,942	20,647
Leverage ratio	10.89%	11.05%

* based on Audited IFRS-EU Financial Statements of the Issuer

** excluding premium on pension insurance contract from operating income and repayment of pension contracts and technical reserves for pension insurance from administrative expenses

Source: Internal information and calculation of the Issuer

Alternative Performance Measure	Definition
Return on assets	Return on assets (ROA) is a profitability ratio and measures how efficiently a company can manage its assets to produce profits during a period. It is computed by dividing profit before tax/after tax by average assets (based on total assets, average means the average of year-end figure and the relevant month's figures).
Return on equity	Return on equity ratio is a profitability ratio which assesses how well equity is used to generate profit. It provides a profitability measure for both management and investors by expressing the net profit for the period as presented in the income statement as a percentage of the respective underlying (either equity related or asset related). Return on equity demonstrates the profitability of the bank on the capital invested by its shareholders and thus the success of their investment. Return on equity is a useful measure to easily compare the profitability of a bank with other financial institutions. Return on the total equity including non-controlling interests, i.e. profit before tax respectively after tax in relation to average equity on the statement of financial position. Average equity is calculated on month-end figures including non-controlling interests and does not include current year profit.
Net interest margin	Net interest margin is used for external comparison with other banks as well as an internal profitability measurement of products and segments. It is calculated with net interest income set in relation to average interest-bearing assets (total assets less investments in subsidiaries and associates, tangible fixed assets, intangible fixed assets, tax assets and other assets).
Cost/Income	Cost/Income ratio is an economic metric and shows the company's costs in relation to its income. The ratio gives a clear view of operational efficiency. Banks use the cost/income ratio as an efficiency measure for steering the bank and for easily comparing its efficiency with other financial institutions. General administrative expenses in relation to operating income (before impairment) are calculated for the cost/income ratio. General administrative expenses comprise staff expenses, other administrative expenses and depreciation/amortization of intangible and tangible fixed assets. Operating income comprises net interest income, dividend income, current income from investments in associates, net fee and commission income, net trading income and fair value result, net gains/losses from hedge accounting and other operating income.
Loans/deposits	Loan/deposit ratio indicates a bank's ability to refinance its loans by deposits rather than wholesale funding. It is calculated with loans to non-financial corporations and households in relation to deposits from non-financial corporations and households.
NPL	A default and thus a non-performing loan pursuant to Article 178 CRR applies if it can be assumed that a customer is unlikely to fulfil all of its credit obligations to the bank, or if the debtor is overdue at least 90 days on any material credit obligation to the bank.
NPL ratio	NPL ratio is a risk ratio which assesses the quality of a portfolio by showing the percentage of loans which are unlikely to be paid over the gross loan volume. NPL ratio is expressed as:
NPL coverage ratio	Non-performing loans and advances and debt securities to Nonbanks and Banks other than held for trading / Loans and advances to Nonbanks and Banks (gross carrying amount balance sheet and off-balance sheet; including "Cash balances at central banks" and "Other demand deposits") and Debt securities NPL coverage ratio is a risk ratio which assesses how well is the NPL volume covered with balance sheet and off-balance sheet provisions. NPL coverage ratio is expressed as:
Provisioning ratio	Allowances for credit-impaired for non-performing loans (Stage 3) / Non-performing loans and advances and debt securities to Nonbanks and Banks other than held for trading Provisioning ratio is an indicator for development of risk costs and provisioning policy of an enterprise. It is computed by dividing impairment or reversal of impairment on financial assets (customer loans) by average customer loans (categories: financial assets measured at amortized cost and financial assets at fair value through other comprehensive income).

Source: Internal information of the Issuer

Total capital specific key figures	Definition
Total capital ratio	<p>Total capital ratio is expressed as:</p> <p>Total capital/Risk-weighted assets</p> <p>Regulatory capital consists of three categories, each governed by a single set of criteria that instruments are required to meet before inclusion in the relevant category:</p> <ul style="list-style-type: none"> ▪ Common Equity Tier 1 (going-concern capital), ▪ Additional Tier 1 (going-concern capital), ▪ Tier 2 Capital (gone-concern capital). <p>Total regulatory capital is the sum of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital, net of regulatory adjustments.</p>
Risk-weighted assets	<p>Risk-weighted asset (RWA) is a bank's assets adjusted for risk. Risk-weighted assets are used to determine the minimum amount of regulatory capital that must be held by banks to maintain their solvency. This minimum is defined for each type of bank risk exposure: credit, market, operational, counterparty and credit valuation adjustment risks. The riskier the asset, the higher the RWAs and the greater the amount of regulatory capital required. For capital requirements RBHR uses Standardized approach.</p>
Leverage ratio	<p>Leverage ratio is expressed as:</p> <p>Capital measure/Exposure measure</p> <p>The capital measure for the leverage ratio is the Tier 1 capital. Tier 1 capital is the sum of Common Equity Tier 1 and Additional Tier 1 capital, net of the regulatory adjustments. The total exposure measure is the sum of the following exposures:</p> <ul style="list-style-type: none"> ▪ on-balance sheet exposures, ▪ derivative exposures, ▪ securities financing transaction exposures, and ▪ off-balance sheet items. <p>This generally follows the accounting values, complemented by specific treatments for exposures related to derivative transactions, securities financing transactions and off-balance sheet items.</p>
Total capital ratio	<p>Total capital ratio is expressed as:</p> <p>Total capital/Risk-weighted assets</p> <p>Regulatory capital consists of three categories, each governed by a single set of criteria that instruments are required to meet before inclusion in the relevant category:</p> <ul style="list-style-type: none"> ▪ Common Equity Tier 1 (going-concern capital), ▪ Additional Tier 1 (going-concern capital), ▪ Tier 2 Capital (gone-concern capital). <p>Total regulatory capital is the sum of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital, net of regulatory adjustments.</p>

Source: Internal information of the Issuer

8. LEGAL AND ARBITRATION PROCEEDINGS

The Issuer is involved and has been involved in the twelve months preceding the date of this Prospectus in certain legal, governmental or arbitration proceedings before various courts and governmental agencies arising in the ordinary course of business involving contractual and other matters.

The following is a description of the most relevant proceedings in which the Issuer is involved at the date of this Base Prospectus (value per issue EUR 5 million or more):

- The plaintiff was not a client of the Issuer, but was a constructor of a building, the investor of in which was the Issuer's client. The Issuer granted a loan to the investor, but since the investor did not fulfil its' obligation the Issuer terminated the loan agreement. Therefore, the investor did not pay completed work to the plaintiff. The plaintiff sued the Bank alleging that its termination of the loan agreement with the investor, the Bank made the investor unable to pay the plaintiff. The claim against the Issuer amounts to approximately EUR 5.9 million of value in dispute.

- In May 2015 a judgment was passed, by which the claim was declined. The plaintiff submitted an appeal against this judgment which is not finally decided.
- A plaintiff, to whom the Issuer's former client assigned the claim toward the Issuer, launched a lawsuit claiming damages based on the allegation that negotiations in connection with the financing of a real estate project had been conducted in bad faith by the Issuer and finally terminated. The claim against the Issuer amounts to approximately EUR 16.2 million of value in dispute.
- A former client launched a claim in the amount of approximately EUR 7.0 million for damages alleging that the loan agreement had not been duly signed on behalf of the client and the co-debtor, represented by the same person. The Issuer received first instant judgement by which court declined the claim of the client. Client submitted the appeal and now the Issuer is waiting for the second instance court decision.
- A former client launched a claim for damages in the amount of approximately EUR 24.3 million based on the allegation that the Issuer had acted fraudulently by terminating loans, which had been granted for the financing of the client's hotel business. In previous court proceedings in respect of the termination of the loans as well as the enforcement over the real estate, all final judgments were in favour of the Issuer. Several hearings were held as well as submissions exchanged. As at the date of this Base Prospectus no ruling has been made.
- The Issuer, following the merger into the Bank of Raiffeisen Services Ltd. ("**RF**") (a former factoring company wholly owned by the Bank), became a party (both a defendant and a plaintiff) in a counter-lawsuit filed by a client as a reaction to the former RF lawsuit against the client. RF concluded a recourse factoring transaction with the client/supplier and a debtor, member of GCC Agrokor. The recourse was contracted as an accessory guaranty and not as a several and joint guarantee. Following the debtor's payment default, the client/supplier declined the payment of all its' recourse obligations RF therefore initiated court proceedings against the client claiming payment. The client filed a counterclaim alleging it had no recourse obligations towards RF, because RF was not diligent enough in respect of the failing debtor but choose to simply wait and then called its recourse rights against the client (i.e. in bad faith). Alternatively, the client is suing for damages incurred due to RF's bad faith, in the amount equalling RF's claim. The claim against the Issuer amounts to approximately EUR 5.6 million of value in dispute.

Since this is a declaratory lawsuit and there is no monetary claim, the provisions shall be booked only on the costs of proceeding.

- As at the date of this Base Prospectus, several hearings have been held and both plaintiff and defendant have filed submissions, but there is no first instance judgment.
- CHF-indexed consumer loan portfolio of the Bank

In 2012, a local Croatian consumer protection association called Potrošač (the "**Plaintiff**"), filed before the Commercial Court of Zagreb a collective lawsuit against eight banks, including the Issuer which engaged in granting to consumers HRK loans where the principal amount was linked to the Swiss Franc ("**CHF**") both at disbursement and at repayment; and where interest rates were reset from time to time unilaterally by the respective lender bank. These loans were disbursed between 2004 and 2008.

The Plaintiff was seeking to have both the CHF-indexing of the HRK principal amounts and the unilateral interest rate resetting declared null and void.

The Commercial Court of Zagreb ruled in favour of the Plaintiff. The ruling was of a declaratory and not of a condemnatory nature, i.e. an interested party needed to institute separate legal proceedings in respect of its claims regardless. The ruling was appealed by the defendant banks.

In 2014, the High Commercial Court, acting on the appeals, finally ruled that while the CHF-indexing was not in itself against the law, the unilateral interest rate resetting was. Pursuant to a series of amendments of the Consumer Credit Act and the Credit Institutions Act in 2015, the defendant banks converted the CHF-indexed loans into EUR-linked or straight HRK loans, at a legally capped interest rate. Excess amount repaid under the old CHF-indexed loans were repaid to consumers. Later legal remedies sought by the defendants (request for a judicial review and constitutional complaint) were denied and the High Commercial Court ruling was upheld.

In January 2020, the Supreme Court made public its legally binding opinion to the effect that there is no time bar vis a vis a contract declared null and void. The Plaintiff filed a constitutional complaint regarding the ruling of the Croatian Supreme Court vis a vis the CHF-indexing.

On 3 February 2021 the Constitutional Court made public its ruling to the effect that it found both the CHF-indexing and the unilateral interest rate resetting to be unlawful and therefore null and void.

There are still legal issues that remain unclear and will need to be cleared by way of individual lawsuits initiated or yet to be initiated by clients. Among those is the validity of the terms and conditions of loans converted pursuant to the above-mentioned amendments to the Consumer Credit Act and the Credit Institutions Act.

Although only part of the Bank's former CHF-indexed consumer loans portfolio is subject to ongoing court proceedings, the entire portfolio has been and continues to be fully provisioned.

With respect to "Lex Agrokor" (lex specialis introduced in Croatia for Agrokor group) and CHF loans the Bank initiated against Republic of Croatia UNCITRAL arbitration which is in progress and also proceeding before Commercial Court in Zagreb in which the Bank claims the damage sustained in the amount yet to be finally defined.

8. **SIGNIFICANT CHANGE IN THE FINANCIAL POSITION OF THE GROUP**

Save as disclosed in section 4.3 "Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year", first bullet point ("**COVID-19 pandemic**") above, there has been no significant change in the financial position of the Group since 31 December 2020.

9. **MATERIAL CONTRACTS**

The Issuer and its subsidiaries have not entered into any material contracts outside the ordinary course of business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of the Notes.

10. **THIRD PARTY INFORMATION**

If and to the extent information contained in this Prospectus, as supplemented from time to time, has been sourced from a third party, the Issuer confirms that to the best of its knowledge this information has been accurately reproduced and that, so far as the Issuer is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

11. **DOCUMENTS AVAILABLE**

This Prospectus, any supplements hereto and the documents incorporated herein by reference are available on the Issuer's Website (www.rba.hr) and on the website of the Luxembourg Stock Exchange (www.bourse.lu). The day of such first publication is deemed to be the valid day of publication.

This Prospectus is valid for a period of twelve months from the date of its approval.

All documents mentioned above and the Issuer's Articles of Association will be available together with this Prospectus for at least ten years after the publication of this Prospectus free of charge at the Issuer's registered office and on the Issuer's Website (www.rba.hr).

The English language convenience translation of the Issuer's Articles of Association can be inspected at <https://www.rba.hr/documents/20182/21851/RBHR-statut-en.pdf> .

TAXATION

THE TAX LAWS OF THE INVESTOR'S STATE OF RESIDENCE AND OF THE ISSUER'S STATE OF INCORPORATION MIGHT HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES. PROSPECTIVE INVESTORS IN NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO WHICH COUNTRIES' TAX LAWS COULD BE RELEVANT TO ACQUIRING, HOLDING AND DISPOSING OF NOTES AND RECEIVING PAYMENTS OF INTEREST, PRINCIPAL AND/OR OTHER AMOUNTS UNDER THE NOTES AND THE CONSEQUENCES OF SUCH ACTIONS UNDER THE TAX LAWS OF THOSE COUNTRIES.

DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS

The provisions relating to resolutions of Holders under the German Act on Debt Securities (*Schuldverschreibungsgesetz* – "**SchVG**") will apply to Notes issued under the Programme. The Holders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting. Any such resolution duly adopted by resolution of the Holders shall be binding on each Holder of the respective issue of Notes, irrespective of whether such Holder took part in the vote and whether such Holder voted in favour or against such resolution.

The rules of the SchVG are, if applied by the Issuer, largely mandatory, although they permit in limited circumstances supplementary provisions set out in the Terms and Conditions.

The following is a brief overview of some of the statutory rules regarding the taking of votes without meetings and the convening and conduct of meetings of Holders, the passing and publication of resolutions as well as their implementation and challenge before German courts.

Specific Rules regarding Votes without Meeting

The voting shall be conducted by the person presiding over the taking of votes. Such person shall be (i) a notary public appointed by the Issuer, (ii) where a common representative of the Holders (the "**Holders' Representative**") has been appointed, the Holders' Representative if the vote was solicited by the Holders' Representative, or (iii) a person appointed by the competent court.

The notice soliciting the Holders' votes shall set out the period within which votes may be cast. During such voting period, the Holders may cast their votes to the person presiding over the taking of votes. Such notice shall also set out in detail the conditions to be met for the votes to be valid.

The person presiding over the taking of votes shall ascertain each Holder's entitlement to cast a vote based on evidence provided by such Holder and shall prepare a list of the Holders entitled to vote. If it is established that no quorum exists, the person presiding over the taking of votes may convene a meeting of the Holders. Within one year following the end of the voting period, each Holder participating in the vote may request a copy of the minutes of such vote and any annexes thereto from the Issuer.

Each Holder participating in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the person presiding over the taking of votes. If he remedies the objection, the person presiding over the taking of votes shall promptly publish the result. If the person presiding over the taking of votes does not remedy the objection, he shall promptly inform the objecting Holder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting, also the costs of such proceedings.

Rules regarding Holders' Meetings applicable to Votes without Meeting

In addition, the statutory rules applicable to the convening and conduct of Holders' meetings will apply *mutatis mutandis* to any vote without a meeting. The following summarises some of such rules.

Meetings of Holders may be convened by the Issuer or the Holders' Representative, if any. Meetings of Holders must be convened if one or more Holders holding five per cent or more of the outstanding Notes so require for specified reasons permitted by statute.

The convening notice shall be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Holder may be represented by proxy. A quorum exists if Holders' representing by value not less than 50 per cent of the outstanding Notes. If the quorum is not reached, a second meeting may be called at which no quorum will be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 per cent of the aggregate principal amount of outstanding Notes.

All resolutions adopted must be properly published. In the case of Notes represented by one or more Global Notes, resolutions which amend or supplement the Terms and Conditions have to be implemented by supplementing or amending the relevant Global Note(s).

In insolvency proceedings instituted in Germany against an Issuer, a Holders' Representative, if appointed, is obliged and exclusively entitled to assert the Holders' rights under the Notes. Any resolutions passed by the Holders are subject to the provisions of the German Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the Conditions, Holders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Raiffeisen Bank International AG, Raiffeisenbank Austria d.d. and any new dealer appointed under the Programme (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 16 July 2021 (the "**Dealer Agreement**") and made between the Issuer and Raiffeisen Bank International AG, Raiffeisenbank Austria d.d. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specify the legend entitled "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (ii) a customer within the meaning Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the relevant Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed that:

- (a) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) ***General compliance:*** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Prospectus.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was authorised by resolution of the Management Board of the Issuer on 6 May 2021 and resolution of the Supervisory Board of the Issuer on 7 May 2021. The issuances of Notes under the Programme under the annual funding plan determining the issuance volume was authorised by resolution of the Management Board of the Issuer on 5 March 2021 and resolution of the Supervisory Board of the Issuer on 18 March 2021. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Conflicts of Interest

The Dealers and their affiliates may be customers, borrowers or creditors of the Issuer and its affiliates. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial Notes (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or Notes of the Issuer and its affiliates. Certain of the Dealers of their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial Notes and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and Notes.

INFORMATION INCORPORATED BY REFERENCE

The specified parts of the following documents which have been previously published or are simultaneously published with this Prospectus and which have been filed with the CSSF are incorporated by reference into and form part of this Prospectus and will be available together with this Prospectus for at least ten years after the publication of this Prospectus.

Document/Heading	Page reference in the relevant document
English language translation of the Issuer's Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union (the " Audited IFRS-EU Financial Statements 2019 ") and the audit report for the Financial Statements 2019	
<i>Source:</i> <i>the Consolidated Annual Report of the Issuer containing the audited Consolidated Financial Statements for fiscal year 2019, as made available on the Issuer's Website:</i> <i>https://www.rba.hr/documents/20182/274367/2019+Annual+Report/3471856c-abf0-d215-d3da-cb311e4c37b2?version=1.0</i>	
Independent Auditor's Report	39 - 50
Consolidated Statement of Comprehensive Income	53 - 54
Consolidated Statement of Financial Position	51 - 52
Consolidated Statement of Changes in Equity	55
Consolidated and Separate Statement of Cash Flows	56 - 57
Notes to the Financial Consolidated Statements for fiscal year ended at 31 December 2019	64 - 185
English language translation of the Issuer's Consolidated Financial Statements Prepared in Accordance with International Financial Reporting Standards as endorsed by the European Union (the " Audited IFRS-EU Financial Statements 2020 ") and the audit report for the Financial Statements 2020	
<i>Source:</i> <i>the Consolidated Annual Report of the Issuer containing the audited Consolidated Financial Statements for fiscal year 2020, as made available on the Issuer's Website:</i> <i>https://www.rba.hr/documents/20182/274367/RBA+and+Raiffeisen+Group+Results+for+2020/339b9b3a-239c-3d78-4825-6d603e835f88?version=1.0</i>	
Independent Auditor's Report	28 - 39
Consolidated Statement of Comprehensive Income	42 - 43
Consolidated Statement of Financial Position	40 - 41
Consolidated Statement of Changes in Equity	44
Consolidated Statement of Cash Flows	45 - 46
Notes to the Financial Consolidated and Separate Statements for fiscal year ended at 31 December 2020	54 - 202

Please note that the English language translations referred to above are translations from the originals, which were prepared in Croatian language. All possible care has been taken to ensure that the translations are accurate representation of the originals.

For the avoidance of doubt, such parts of the annual reports for fiscal year ended 31 December 2019 and 31 December 2020 respectively, which are not explicitly listed in the tables above, are not incorporated by reference into this Prospectus as these parts are either not relevant for the investor or covered elsewhere in this Prospectus.

References in the independent auditor's reports to "other information" are references to the administrators' report and the non-financial statement. Such administrators' report and non-financial statement are not incorporated by reference into this Prospectus.

Such parts of the documents which are explicitly listed above shall be deemed to be incorporated in, and form part of this Prospectus, save that any statement contained in such a document shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

PRINCIPAL OFFICE OF THE ISSUER

Raiffeisenbank Austria d.d.

Magazinska cesta 69
10000 Zagreb
Croatia

DEALERS

Raiffeisen Bank International AG

Am Stadtpark 9
1030 Vienna
Austria

Raiffeisenbank Austria d.d.

Magazinska cesta 69
10000 Zagreb
Croatia

FISCAL AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

PAYING AGENTS

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

LEGAL ADVISERS

To the Issuer as to Croatian law:

WOLF THEISS Rechtsanwälte

GmbH & Co KG

Zagreb Branch
Ivana Lučića 2a/19th Floor
"Eurotower"
10 000 Zagreb
Croatia

To the Dealers as to German law:

Clifford Chance Partnerschaft mbB

Junghofstraße 14
60311 Frankfurt am Main
Germany

AUDITORS TO THE ISSUER

Deloitte d.o.o.

Radnička cesta 80
10000 Zagreb
Croatia